Login Screens

Initial Login Screen

Check (click) the appropriate box to indicate if the financial report data to be included on this IPEDS Finance Survey was prepared using the standards of GASB or FASB. The box checked here will determine the reporting forms to be provided for completion.

General Information – GASB Institutions

Fiscal Year: please enter the beginning and ending date of the period covered by the financial data being reported. If the period is not a full 12-month year, please explain in the “caveats” section below why a 12-month period was not included.

Audit Opinion: please check the appropriate box to indicate if the related financial statements received an unqualified opinion from your auditors. If “no” is checked, please note in the space provided the general nature of the qualification. If the statements have not been audited, please check “Don’t know” and note in the explanation box that the financial statements are unaudited.

Reporting Model and Standards: check the appropriate box to indicate the reporting model and standards used for the financial statements. The “AICPA college and university audit guide model” would be checked if the “old” audit guide model is still being used. The “GASB Governmental Model using standards prior to GASB 34” would be checked if the institution has continued to use the governmental model but has not yet converted to the GASB 34/35 standards. The “GASB model, using GASB 34 & 35” would be checked if these standards have been implemented.

GASB alternative: check the appropriate box to indicate the model alternative from GASB Statement No. 34 that has been used or that is expected to be used upon implementation of GASB 34.

Component Unit: these should be reported in the same number and amounts as included on the face of the institution’s financial statements. The number entered here will be used to provide the number of forms needed for reporting these component units.

Fiduciary Funds: if fiduciary funds are reported in your general-purpose financial statements, please identify the nature of each fund reported. No additional information about fiduciary funds is required in the IPEDS Finance Survey.

System or Governing Board: Please check (click) the appropriate box in this section. If your institution is not part of a system, check the first box. A system is an organization of two or more higher education institutions with a common governing body. An institution of higher education is an institution that is accredited at the college level by an accrediting agency or association recognized by the Secretary, U. S. Department of Education, and that offers at least a one-year program of study creditable toward a degree, and that is eligible for participation in Title IV federal financial aid programs. For purposes of the IPEDS Finance Survey, it is requested that each institution and branch (with a separate program agreement for Title IV) submit a separate Finance Survey. Each system office should submit a separate Finance Survey. Any revenues, expenses, assets, liabilities, and net assets that can be identified by individual institution may be reported by the individual institution(s) rather than by the system. It is very important that there be no double reporting of amounts between institutions and systems; it is also important that there be full reporting of all amounts for all institutions and systems.

Caveats: enter in this space any explanations specified in other instructions or any other information critical to financial statement users.

Prior year data: For the first year that financial data is reported using the standards of GASB 34 and 35, restated prior year data will not be collected and data for the prior year using different standards will not be shown.
General Information – FASB Institutions

Fiscal Year: please enter the beginning and ending date of the period covered by the financial data being reported. If the period is not a full 12-month year, please explain in the “caveats” section below why a 12-month period was not included.

Audit Opinion: please check the appropriate box to indicate if the related financial statements received an unqualified opinion from your auditors. If “no” is checked, please note in the space provided the general nature of the qualification. If the statements have not been audited, please check “Don’t know” and note in the explanation box that the financial statements are unaudited.

Consolidated Affiliated Entities: identify any significant affiliated entities included in the consolidated financial data being reported.

Caveats: enter in this space any explanations specified in other instructions or any other information critical to financial statement users.

General Information and Instructions – Both FASB and GASB

Please respond to each item on this on-line data collection in the space provided. The categories of financial data are designed to be consistent with your entity-wide general-purpose financial statements (GPFS). IN ALL CASES, THE STARTING POINT FOR REPORTING SHOULD BE AMOUNTS REPORTED IN THE GPFS. THE REPORTING ENTITY’S FINANCIAL ACCOUNTING POLICIES AND PROCEDURES SHOULD BE THE BASIS FOR REPORTING IN THE INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM (IPEDS).

If financial categories in your GPFS are more aggregated than those required for the IPEDS survey, please use your underlying institutional records to determine the necessary amounts. If financial categories are more detailed than those required for the IPEDS survey, please combine the financial statement amounts and report only the combined number in the IPEDS survey. Report all data in WHOLE DOLLARS only, omitting cents. For any item on the report where exact data do not exist, please give estimates.

Data providers to the on-line Finance Survey should be familiar with college and university accounting policies and practices. To provide additional help, many accounting and related terms are underlined. These terms are linked to definitions found in the on-line glossary. Additional references may be found in the National Association of College and University Business Officers' (NACUBO) Financial Accounting and Reporting Manual (FARM). To obtain a copy of the FARM, contact the NACUBO Publications Department at 866-348-6300, or use the print-off order form provided on the NACUBO website (www.nacubo.org).

Four different types of data appear on the on-line forms. First, there are data you will provide from your institution's GPFS and/or underlying records. Second, there are prior year data, shown in red, which can be used by the data provider as a basis for comparisons with the current year’s data being provided. (Institutions reporting using GASB standards should see the note above about prior year data.) Third, there are data carried forward from one part of the form to another part of the form to ensure that the form is internally consistent. Finally, there are data generated by summing together other data elements. In the latter two cases, the data provider is requested to check the data carried forward and the data generated to make sure that these data are consistent with the data found in the institution's GPFS. If the data carried forward or generated are not consistent with the institution's GPFS, then an error in data provision may have occurred.
Part A – Statement of Net Assets

Report the assets, liabilities, and net assets of the primary institutional reporting unit in this Part. Data should be consistent with the Statement of Net Assets in the GPFS.

01 – Total Current Assets – Report all current assets on this line. (Note: all current and noncurrent classifications should be determined as discussed in Chapter 3 of Accounting Research Bulletin No. 43.) Include cash and cash equivalents, investments, accounts and notes receivables (net of allowance for uncollectible amounts), inventories, and all other assets classified as current assets.

Noncurrent Assets – Report on lines 02-05 all noncurrent assets. (Note: all current and noncurrent classifications should be determined as discussed in Chapter 3 of Accounting Research Bulletin No. 43.)

02 – Capital assets-depreciable (gross) – Report all capital assets subject to depreciation, including improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible depreciable assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Include only depreciable capital assets on this line; non-depreciable capital assets will be included on line 04. Report the gross carrying amount of all depreciable capital assets without reducing for accumulated depreciation, which will be reported on line 03.

03 – Accumulated depreciation – Report the total of accumulated depreciation on the capital assets reported on line 02.

04 – Other noncurrent assets – This amount is automatically generated by subtracting from the amount on line 05 the total of lines 02-03. This should be the amount of all noncurrent assets reported by the institution not included on lines 02-03.

05 – Total Noncurrent Assets – Report the total of all noncurrent assets as reported in the institution’s GPFS.

06 – Total Assets – This amount is automatically generated by adding the amounts on lines 01 and 05.

Current Liabilities – Report on lines 07-09 all current liabilities. (Note: all current and noncurrent classifications should be determined as discussed in Chapter 3 of Accounting Research Bulletin No. 43.)

07 – Long-term debt, current portion – Report the amount due in the next operating cycle (usually a year) for amounts otherwise reported as long-term or noncurrent debt. Include only outstanding debt on this line; the current portion of other long-term liabilities, such as compensated absences, will be included on line 08.

08 – Other current liabilities – This amount is automatically generated by deducting from the amount on line 09 the amount on line 07.

09 – Total Current Liabilities – Report the total of all current liabilities as reported in the institution’s GPFS.

Noncurrent Liabilities – Report on lines 10-12 all noncurrent liabilities. (Note: all current and noncurrent classifications should be determined as discussed in Chapter 3 of Accounting Research Bulletin No. 43.)

10 – Long-term debt – Report the amount for long-term debt arising from debt issuance and lease-purchase agreements. Other long-term liabilities, such as compensated absences, claims & judgments, pensions, and other similar noncurrent liabilities will be included on line 11. Note that the amount of long-term debt due within the next operating cycle is reported on line 07.

11 – Other noncurrent liabilities – This amount is automatically generated by deducting the amount on line 10 from the amount on line 12.

12 – Total Noncurrent Liabilities – Report the total of all noncurrent liabilities as reported in the institution’s GPFS.

13 – Total Liabilities – This amount is automatically generated by adding the amounts on lines 09 and 12.
**Net Assets** – Report on lines 14-18 the amount of all net assets.

14 – *Invested in capital assets, net of related debt* – Report the component of net assets represented by the total of all capital assets, reduced by accumulated depreciation, and reduced by the amount of outstanding bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets (see indebtedness on capital assets). Some outstanding debt may be reported in both current and noncurrent liabilities. Include restricted capital assets.

15 – *Restricted-expendable* – Report restricted net assets that are expendable. Net assets should be reported as restricted when constraints placed on use are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Expendable net assets are all those not required to be retained in perpetuity.

16 – *Restricted-nonexpendable* – Report net assets that are restricted and nonexpendable. See line 15 for the definition of restricted. Nonexpendable net assets are those that are required to be retained in perpetuity.

17 – *Unrestricted* – This amount is automatically generated by taking the amount from line 18 and subtracting the total of lines 14-16. This should be the amount of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

18 – *Total Net Assets* – This amount is automatically generated by taking the amount on line 06 (total assets) and subtracting the amount on line 13 (total liabilities). This should equal the amount reported as total net assets in the institution’s GPFS.
Part A (p. 2) – Plant, Property, and Equipment

Report values of the asset categories shown on each line of the form. Report only assets reported as capital assets by the institution. Do not include those plant values that are a part of endowment funds or other capital fund investments in real estate. Financial reporting standards do not specify the exact categories of capital assets that must be reported. Respondents should match their categories to the categories provided on this Part as closely as possible even if the categories are not exact matches. An institution may have capital assets that do not fit within any of these categories; such assets are simply not reported in this Part. Amounts reported in this Part do not necessarily agree with amounts reported on the Statement of Net Assets above.

**Columns**

**Beginning Balance** – Report the balance for each line as of the beginning of the fiscal year (or the end of the prior year).

**Additions** – Report the amount of additions to capital assets during the reporting period from purchase, construction, gift, etc. or the amount of depreciation recognized during the period.

**Retirements** – Report the amounts removed from the accounting records during the year due to disposal, whether because of sale, loss, scrapping, etc. Amounts in this column are all automatically generated by adding the beginning balance and additions and subtracting the ending balance.

**Ending Balance** – This is the balance for each line as of the end of the fiscal year.

**Gross Asset Amounts** – The amounts on lines A21-A26 are the total carrying amounts of the capital assets, without reducing the amounts for accumulated depreciation.

21 – **Land & land improvements** – Report land and other land improvements, such as athletic fields, golf courses, lakes, etc.

22 – **Infrastructure** – Report infrastructure assets such as roads, bridges, drainage systems, water and sewer systems, etc.

23 – **Buildings** – Report structures built for occupancy or use, such as for classrooms, research, administrative offices, storage, etc. Include built-in fixtures and equipment that are essentially part of the permanent structure.

24 – **Equipment** – Report moveable tangible property such as research equipment, vehicles, office equipment, etc.

25 – **Art and library collections** - Report on this line library collections (capitalized amount of books, films, tapes, and other materials maintained in library collections intended for use by patrons) and capitalized art collections.

26 – **Property obtained under capital leases** – Report property obtained under capital leases if not reported on another line.

27 – **Construction in progress** – Report capital assets under construction and not yet placed into service.

28 – **Accumulated depreciation** – Report all depreciation amounts, including depreciation on assets that may not be included on any of the above lines.
**Part B - Revenues and Other Additions**

Includes all *operating* revenues, *nonoperating* revenues, and other additions for the reporting period. This includes unrestricted and restricted revenues and additions, whether expendable or nonexpendable.

Operating revenues result from providing services and producing and delivering goods (see GASB Statement No. 9, paragraphs 16-19). In some cases an institution may report certain revenues in an operating or nonoperating category different from that shown on the IPEDS forms. This IPEDS survey form is not intended to dictate how an institution reports such revenues in its own *general-purpose financial statements* (GPFS). However, for consistency of reporting it is requested that information be reported on the most appropriate line provided on the forms.

**Operating Revenues**

01 – Tuition & fees, after deducting discounts & allowances — Report all tuition & fees (including student activity fees) assessed against students for education purposes. Include revenues for tuition and fees net of discounts & allowances from institutional scholarships, waivers, etc. (report gross revenues minus discounts and allowances). Include here those tuition and fees that are remitted to the state as an offset to state appropriations. (Charges for room, board, and other services rendered by auxiliary enterprises are not reported here; see line 03.)

02 – Grants and contracts-operating — Report revenues from governmental and nongovernmental agencies and organizations that are for specific research projects or other types of programs and that are classified as operating revenues. Examples are research projects and similar activities for which amounts are received or expenditures are reimbursable under the terms of a grant or contract. Include federal land grant appropriations if considered operating revenue.

03 – Sales & services of auxiliary enterprises, after deducting discounts & allowances — Report revenues (net of discounts & allowances) generated by auxiliary enterprises that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to the cost of the service. Examples are residence halls, food services, student health services, intercollegiate athletics, college unions, college stores, and movie theaters.

04 – Sales & services of hospitals, after deducting patient contractual allowances — Include operating revenues (net of patient contractual allowances) for a hospital operated by the institution and clinics associated with training. Exclude clinics that are part of the student health services program that should be reported on line 03 or 06, as appropriate.

05 – Independent operations — Include all operating revenues associated with operations independent of the primary missions of the institution. This category generally includes only those revenues associated with major federally funded research and development centers. Do not include the net profit (or loss) from operations owned and managed as investments of the institution’s endowment funds.

06 – Other sources-operating — This amount is automatically generated by taking the amount on line 07 and subtracting the total of lines 01-05. This amount should include all operating revenues not included on lines 01-05.

07 – Total Operating Revenues — Report total operating revenues from your GPFS.

**Nonoperating Revenues**

08 – Federal appropriations – Report all amounts received by the institution through acts of a federal legislative body, except grants and contracts. Funds reported in this category are for meeting current operating expenses, not for specific projects or programs. An example is federal land-grant appropriations. If your institution accounts for land grant appropriations as operating revenue, include the amount received on line 02.

09 – State appropriations — Report all amounts received by the institution through acts of a state legislative body, except grants and contracts and amounts reportable on line 16. Funds reported in this category are for meeting current operating expenses, not for specific projects or programs.

10 – Local appropriations, education district taxes & similar support – Report all amounts received from property of other taxes assessed directly by or for an institution below the state level. Include any other similar general
support provided to the institution from governments below the state level, including local government appropriations.

11 – Grants-nonoperating – Report all amounts reported as nonoperating revenues from governmental and nongovernmental agencies and organizations that are provided on a nonexchange basis. Include Pell Grants here. Do not include revenues from the Federal Direct Student Loan (FDSL) Program. Do not include capital grants & gifts reported on line 16.

12 – Gifts, including contributions from affiliated organizations — Report revenues from private donors for which no legal consideration is provided; these would be nonexchange transactions as defined in GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions. Include all gifts or contributions to the institution except those classified as additions to permanent endowments or capital grants & gifts. Include gifts from affiliated organizations. Include the amount of contributed services recognized by the institution. Do not include on this line amounts subject to reporting on line 17.

13 – Investment income – Report on this line all investment income not reported on other lines.

14 – Other nonoperating revenues – This amount is automatically generated by taking the total entered on line 15 and deducting the total of lines 08 through 13.

15 – Total Nonoperating Revenues – Report the total of all nonoperating revenues from your GPFS.

Other Revenues & Additions

16 – Capital appropriations – Report amounts provided by government appropriations intended primarily for acquisition or construction of capital assets for the institution.

17 – Capital grants & gifts – Report amounts received from gifts or grants primarily intended to provide for the acquisition or construction of capital assets for the institution.

18 – Additions to permanent endowments – Report gifts and other additions to endowments that are permanently nonexpendable.

19 - Other revenues & additions – This amount is automatically generated by taking the total on line 19 and deducting the total of lines 16-18.

20 – Total Other Revenues & Additions – This should be the total of all revenue and additions included in the GPFS below the line on the Statement of Revenues, Expenses, and Changes in Net Assets for “income before other revenues, expenses, gains, and losses.” There may be more than one figure in your own GPFS and thus it may be necessary to combine the revenues and additions reported in this category.

21 – Total All Revenues & Other Additions – This amount is automatically generated by adding the amounts from lines 07, 15, and 20.
Part C – Expenses and Other Deductions

Includes all operating expenses and nonoperating expenses and deductions. See GASB Statement No. 9, paragraphs 16-19, for an explanation of operating activities. Included are the costs incurred for salaries and wages, goods, and other services used in the conduct of the institution’s operations. Not included is the acquisition cost of capital assets, such as equipment and library books, to the extent the assets are capitalized under the institution’s capitalization policy.

Part E requests that expenses and other deductions be reported in a matrix format, resulting in data reported by both natural classification (object) and functional classification. Institutions are requested to provide data for both classifications although your general-purpose financial statements (GPFS) may report data by only one classification.

Columns for natural classifications – unless noted differently, amounts are entered in all columns except the “All Other” column.

Current Year Total – this is the total for the functional category or line.

Salaries & Wages – include all salary and wage payments made to employees.

Employee Fringe Benefits – include all employee fringe benefits such as retirement plans, social security taxes, medical/dental plans, guaranteed disability income protection plans, tuition plans, housing plans, unemployment compensation plans, group life insurance plans, worker’s compensation plans, other in-kind benefits with cash options, and all other costs of employee benefits.

Depreciation – includes the current year’s depreciation expense on capital assets.

All Other – Amounts in this column are automatically generated by taking the amount in the “Current Year Total” column and deducting amounts in the columns for salaries and wages, employee benefits, and depreciation. The amount should include all other expenses and deductions, such as supplies, telecommunications, travel, utilities, printing, maintenance contracts, professional services, interest, etc.

Operating Expenses – See the Glossary entry for each function (click on highlighted words or phrases) for information on reporting computer services within each function or only in certain functions.

01 – Instruction — Expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted should be included in this classification. Include expenses for both credit and noncredit activities. Exclude expenses for academic administration where the primary function is administration (e.g., academic deans); such expenses should be reported on line 05. The instruction category includes academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and remedial and tutorial instruction conducted by the teaching faculty for the institution’s students.

02 – Research — This category includes all expenses for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. Do not report nonresearch sponsored programs (e.g., training programs).

03 – Public service — Report expenses for all activities budgeted specifically for public service and for activities established primarily to provide noninstructional services beneficial to groups external to the institution. Examples are seminars and projects provided to particular sectors of the community. Include expenditures for community services and cooperative extension services.

04 – Other academic support — This category includes expenses for the support services that are an integral part of the institution’s primary missions of instruction, research, and public service. Include expenses for museums, libraries, galleries, audio/visual services, ancillary support, academic administration, personnel development, and course and curriculum development. Include expenses for veterinary and dental clinics if their primary purpose is to support the institutional program.
05 – Student services — Report expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students’ emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples are career guidance, counseling, and financial aid administration. This category also includes intercollegiate athletics and student health services, except when operated as self-supporting auxiliary enterprises.

06 – Institutional support — Report expenses for the day-to-day operational support of the institution, excluding expenses for physical plant operations. Include expenses for general administrative services, executive direction and planning, legal and fiscal operations, and public relations/development.

07 – Operation & maintenance of plant — Report all expenses for operations established to provide service and maintenance related to grounds and facilities used for educational and general purposes. Also include expenses for utilities, fire protection, property insurance, and similar items. See the instructions for line 08 relative to depreciation expense.

08 – Depreciation – Report depreciation expense on this line if all or most depreciation is reported separately in the institution’s general-purpose financial statements (GPFS). All or most depreciation expense may also be reported in line 08 if the institution reports depreciation in its GPFS in that classification. Alternatively, depreciation expense may be distributed to the various functional classifications and shown in the depreciation column for each. An amount is entered only in the “Current Year Total” column; that same amount is automatically carried into the column for depreciation.

09 – Scholarships and fellowships expenses, excluding discounts & allowances Report scholarships and fellowships expenses in the form of outright grants to students selected and awarded by the institution. Report only amounts that exceed fees and charges assessed to students by the institution and that would not have been recorded as discounts & allowances. This classification will include the excess of awards over fees and charges from Pell grants and other resources, including funds originally restricted for student assistance. Do not include loans to students or amounts where the institution is given custody of the funds but is not allowed to select the recipients; these are transactions recorded in balance sheet accounts and not revenues and expenses.

10 – Auxiliary enterprises — Report expenses of essentially self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services, student health services, intercollegiate athletics, college unions, college stores, and barber shops when the activities are operated as auxiliary enterprises.

11 – Hospital services — Report all expenses associated with the operation of a hospital, including nursing expenses, other professional services, general services, administrative services, fiscal services, and charges for physical plant operations.

12 – Independent operations — Include all expenses for operations that are independent of or unrelated to the primary missions of the institution (i.e., instruction, research, public service), although they may contribute indirectly to the enhancement of these programs. This category is generally limited to expenses of major federally funded research and development centers. Do not include the expenses of operations owned and managed as investments of the institution’s endowment funds.

13 – Other expenses and deductions - These amounts are automatically generated by taking the totals from line 14 (total operating expenses) and subtracting the total of lines 01-12. Since this is a generated number the data provider is advised to check this number against the corresponding number in the institution’s GPFS. If the two numbers differ materially, the data provider is advised to examine other data entered for this screen for a keystroke error.

14 – Total Operating Expenses — Enter the total operating expenses in each column in amounts that agree with total operating expenses reported in the institution’s GPFS.

Nonoperating Expenses & Deductions

15 – Interest – Report the total of interest expense for the year. The amount entered in the Total column will automatically be entered in the All Other column.

16 – Other nonoperating expenses & deductions – Amounts in this line are automatically generated by taking the amounts on line 18 and deducting the amounts on line 15.
17 – **Total Nonoperating Expenses & Deductions** – Amounts on this line are automatically generated by taking the amounts on line 18 and subtracting the amounts on line 14.

18 – **Total Expenses & Deductions** — Enter on this line totals that agree with the institution’s GPFS.

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**Part D – Summary of Changes In Net Assets**

This Part is used to provide a summary of changes in net assets and to determine that all amounts being reported on the Statement of Net Assets (Part A), Revenues and Other Additions (Part B), and Expenses and Other Deductions (Part B) are in agreement.

01 – **Total revenues & other additions** – All amounts on this line are automatically brought forward from Part B, line 21.

02 – **Total expenses & other deductions** – All amounts on this line are automatically brought forward from Part C, line 19.

03 – **Increase in net assets during year** – All amounts are automatically generated by subtracting amounts on line 02 from line 01.

04 – **Net assets beginning of year** – Enter the amount of total net assets at the beginning of the year.

05 – **Adjustments to beginning net assets** – All amounts are automatically generated by subtracting lines 03 and 04 from line 06.

06 – **Net assets end of year** – All amounts are automatically brought forward from Part A, line 18.

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**Part E – Scholarships and Fellowships**

**Institutional Expenses and/or Discounts & Allowances** – Report in this section the amount from transactions where the institution makes the award of scholarships and fellowships from its funds or provides a waiver of fees and charges otherwise due the institution. Amounts to be reported in this section should match amounts reported by the institution as scholarships and fellowships expenses or discounts & allowances.

Scholarships are defined as grants-in-aid, trainee stipends, tuition and fee waivers, and prizes to undergraduate students. Fellowships are defined as grants-in-aid and trainee stipends to graduate students. They do not include funds for which services to the institution must be rendered, such as payments for teaching or wage payments under the college work-study program (CWSP). Do not include expenditures for the Federal Direct Loans Program or any other loan program where the student or parents are obligated to repay the loan (see loans to students). Remission of tuition in exchange for a service such as teaching should be classified as an expense of the function for which services are performed. Remission of tuition because of faculty status or a family relationship should be categorized as an employee fringe benefits expense.

**Gross Scholarships and Fellowships** – Report the total amount (gross) of various scholarships and fellowships without considering how much was ultimately reported as scholarships and fellowships expenses or discounts & allowances. Gross amounts for each category are discussed as “expenditures” for convenience and may include waivers; all amounts reported should have been recorded by the institution as either scholarships and fellowships expenses or discounts & allowances.

01 – **Pell grants (federal)** — Report the gross amount of Pell grants disbursed or otherwise made available to recipients by your institution.

02 – **Other federal grants** — Report expenditures for scholarships and fellowships, excluding Pell Grants, that were funded from federal government agencies. Include Supplemental Educational Opportunity Grants (SEOGs).
Report institutional matching funds for SEOGs under institutional expenditures. Include the federal support portion of State Student Incentive Grants (SSIGs). Do not include loans or CWSP.

03 – Grants by state government — Report expenditures for scholarships and fellowships that were funded by your state such as the state share of State Student Incentive Grants (SSIGs). Report portable student aid from another state as a state source.

04 – Grants by local government — Report expenditures for scholarships and fellowships that were funded by local governments.

05 – Institutional grants from restricted sources — Report expenditures for scholarships and fellowships received from private sources (e.g., businesses, foundations, individuals, foreign governments) that used restricted-expendable net assets of the institution.

06 – Institutional grants from unrestricted sources — This line is automatically generated by taking the total on line 07 and subtracting the total of lines 01-05. This amount should include expenditures for scholarships and fellowships from unrestricted net assets of your institution. The institutional matching portion of federal, state or local grants should be reported here. Include athletic scholarships if appropriate.

07 – Total Gross Scholarships and Fellowships — Enter total scholarship & fellowship amounts.

Discounts & Allowances — Report the amount of the gross scholarships and fellowships entered above that were recorded as discounts & allowances.

08 – Discounts & allowances applied to tuition & fees — Report the amount of discounts & allowances that were recorded as an offset (reduction) to student tuition & fees.

09 – Discounts & allowances applied to sales & services of auxiliary enterprises — This line is automatically generated by taking the total on line 10 and subtracting the amount on line 08. This should be the amount of discounts & allowances that were recorded as an offset (reduction) to revenues of auxiliary enterprises.

10 – Total Discounts & Allowances — This line is automatically generated by taking the amount on line 11 and subtracting the amount on line 07.

11 – Net Scholarships and Fellowships After Deducting Discounts & Allowances — This is the amount reported as scholarships and fellowships expenses by the institution. The amount

Part F – Component Units – (FASB Only)

This Part is used to report summarized financial information for each component unit. Use this set of forms only for component units that report using FASB standards. Use one set of the component unit forms provided for the financial data reported in each separate column of the institution’s general-purpose financial statements (GPFS). Where reference is made to the component unit’s GPFS, apply the reference to either statements actually issued or what would be reported if the unit(s) issued separate statements.

Entities Included – Identify in this space the name or names of the entities whose data is being reported. Abbreviate or shorten as needed, but please identify the number of entities included where units have been combined.

Primary nature of unit(s) – Identify the general nature of each component unit being reported as identified in the previous item, such as “fund raising/investment,” “research,” etc.

Statement of Financial Position - Report the assets, liabilities, and net assets of the component unit in this Part.

01 – Long-term investments – Enter the total of all long-term investments as reported in the GPFS.

02 – Other assets – This amount is automatically generated by taking the amount on line 03 and subtracting the amount on line 01. This amount should agree with the total of all assets other than long-term investments reported in the GPFS.

03 – Total Assets – Enter the total of all assets as reported in the GPFS.
04 – **Total Liabilities** – This amount is automatically generated by taking the amount on line 03 and subtracting line 08. This should be the total of all liabilities as reported in the GPFS.

**Net Assets** – Report on lines 05-08 the amount of all **net assets**.

05 – **Temporarily restricted** – Report net assets that are *temporarily restricted* but expendable. Net assets should be reported as restricted when constraints placed on use are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Temporarily restricted net assets are all restricted net assets not required to be retained in perpetuity.

06 – **Permanently restricted** – Report net assets that are *permanently restricted* and nonexpendable. See line 05 for the definition of restricted. Permanently restricted net assets are all restricted net assets that are required to be retained in perpetuity.

07 – **Unrestricted** – This amount is automatically generated by taking the amount on line 08 and subtracting the total of lines 05-06. This should be the amount of net assets that do not meet the definition of “restricted.”

08 – **Total Net Assets** – Enter the amount reported as total net assets in the GPFS.

**Statement of Activities** – This includes all **revenues** and **expenses** and other additions and deductions or **gains** and **losses** of the component unit(s) for the reporting period.

09 – **Investment return** – enter the total of all **investment return**, including amounts referred to as income on long-term investments, other investment income, or net unrealized and realized gains.

10 – **Other revenues, gains, & other support** – This line is automatically generated by taking the amount on line 11 and subtracting the amount on line 09. This should be the total of all **revenues, gains, and other support** except for investment return reported on line 09.

11 – **Total Revenues, Gains, & Other Support** – Enter the total of all revenues, gains, & other support.

12 – **Total expenses** — This should agree with the total **expenses** from the GPFS.

12a – **Expenses paid to institution** – Report here the amount included in line 12 that was paid to the institution for which this survey is reporting.

13 – **Total losses** – This line is automatically generated by taking the amount on line 14 and subtracting the amount on line 12. This should agree with the total of all **losses** from the GPFS.

14 – **Total Expenses And Losses** – The amount on this line is automatically generated by taking the amount on line 11 and subtracting the amount on line 15. This should agree with the total of all expenses and losses from the GPFS.

15 – **Increase In Net Assets** – Enter the amount from the line with the same description from the GPFS.

16 – **Net assets-beginning of year** – Enter the total **net assets** at the beginning of the year from the GPFS.

17 – **Adjustments to beginning net assets** – This line is automatically generated by taking the amount on line 18 and subtracting lines 15 and 16.

18 – **Net assets-end of year** – This amount is automatically brought forward from line 08 above.

**Part G – Component Units (GASB Only)**

This Part is used to report summarized financial information for each **component unit**. Use this set of forms only for component units that report using GASB standards. Use one set of the component unit forms provided for the financial data reported in each separate column of the institution’s **general-purpose financial statements** (GPFS). Where reference is made to the component unit’s GPFS, apply the reference to either statements actually issued or what would be reported if the unit(s) issued separate statements.
Entities Included – Identify in this space the name or names of the entities whose data is being reported. Abbreviate or shorten as needed, but please identify the number of entities included where units have been combined.

Primary nature of unit(s) – Identify the general nature of each component unit being reported as identified in the previous item, such as “fund raising/investment,” “research,” etc.

Statement of Net Assets - Report the assets, liabilities, and net assets of the component unit in this Part.

01 – Total current assets – Enter the total of all current assets as reported in the GPFS. (Note: all current and noncurrent classifications should be determined as discussed in Chapter 3 of Accounting Research Bulletin No. 43.)

02 – Total noncurrent assets – This amount is automatically generated by taking the amount on line 03 and subtracting the amount on line 01. This amount should agree with the total of all noncurrent assets as reported in the GPFS.

03 – Total Assets – Enter the total of all assets as reported in the GPFS.

04 – Total current liabilities – Enter the total of all current liabilities as reported in the GPFS.

05 – Total noncurrent liabilities – This amount is automatically generated by taking the amount on line 06 and subtracting line 04. This should be the total of all noncurrent liabilities as reported in the GPFS.

06 – Total Liabilities – This amount is automatically generated by taking the amount on line 03 and subtracting the amount on line 11.

Net Assets – Report on lines 07-11 the amount of all net assets.

07 – Invested in capital assets, net of related debt – Report the component of net assets represented by the total of all capital assets, reduced by accumulated depreciation, and reduced by the amount of outstanding bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Some outstanding debt may be reported in both current and noncurrent liabilities. Include restricted capital assets.

08 – Restricted-expendable – Report net assets that are restricted but expendable. Net assets should be reported as restricted when constraints placed on use are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Expendable net assets are all those not required to be retained in perpetuity.

09 – Restricted-nonexpendable – Report net assets that are restricted and nonexpendable. See line 08 for the definition of restricted. Nonexpendable net assets are those that are required to be retained in perpetuity.

10 – Unrestricted – This amount is automatically generated by taking the amount on line 11 and subtracting the total of lines 07-09. This should be the amount of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

11 – Total Net Assets – Enter the amount reported as total net assets in the GPFS.

Statement of Revenues, Expenses, and Changes in Net Assets – This includes all operating revenues and expenses, nonoperating revenues and expenses, and other additions/deductions (gains and losses) of the component unit(s) for the reporting period. This includes unrestricted and restricted revenues and additions, whether expendable or nonexpendable.

12 – Total operating revenues — Enter the total of all operating revenues from the GPFS. Operating revenues result from providing services and producing and delivering goods (see GASB Statement No. 9, paragraphs 16-19).

13 – Total operating expenses — This line is automatically generated by taking the amount on line 12 and subtracting the amount on line 14. This should agree with the total of all operating expenses from the GPFS.
13a – Expenses paid to institution – Report the amount included on line 13 that was paid to the institution for which this survey is reporting

14 – Net Operating Revenues (Expenses) – Enter the amount from the line with the same description from the GPFS.

15 – Total nonoperating revenues – Enter the total of all nonoperating revenues from the GPFS.

16 – Total nonoperating expenses – Amounts on this line are automatically generated by adding the amounts on lines 14 and 15 and subtracting the amount on line 17.

17 – Income Before Other Revenues, Expenses, Gains, Or Losses – Enter the amount from the line of the same general description from the GPFS.

18 – Total other additions & deductions – This line is automatically generated by taking the amount on line 19 and subtracting the amount on line 17. This should be the total of all revenues, expenses, gains, and losses included in the component unit’s GPFS below the line on the Statement of Revenues, Expenses, and Changes in Net Assets for “income before other revenues, expenses, gains, and losses.” This exact figure may not be in your own published financial statements and thus it may be necessary to add together the revenues and additions reported in this category.

19 – Change In Net Assets – Enter the amount from the line with the same description from the GPFS.

20 – Net assets-beginning of year – Enter the amount of total net assets at the beginning of the year from the GPFS.

21 – Adjustments to beginning net assets – This line is automatically generated by taking the amount on line 22 and subtracting lines 19 and 20.

22 – Net assets-end of year – This amount is automatically brought forward from line 11 above.
The Bureau of the Census uses financial information about public institutions of higher education for the Census of Governments statistical programs. Under these programs, the Census Bureau develops comprehensive annual statistics about state government finances, annual estimates of local government finances, and a complete canvass of all local governments every five years in a Census of Governments. In all of these surveys, state and local government are very broadly defined to include public institutions of higher education, as one of many types of state and local dependent agencies covered by the survey.

Many of the statistics requested in Parts J, K, and L are similar to those reported in earlier sections of the collection instrument. Where these are identical or very close in concept, they are identified and used by the Census Bureau. You need not report them again. Shaded boxes indicate these duplicative items. They also are discussed in the specific instructions.

The statistics for the Census Bureau should be reported as broadly as possible and generally cover all of the institutions activities – education, independent operations, auxiliary operations, hospitals, student services, and agricultural services and experiment stations (if applicable). Only limited breakdowns are needed, as indicated by the columns in Parts L and M. Component units are not included in the Census Bureau section, as a general rule.

The primary conceptual differences between Parts J, K, and L, when compared to the previous parts of the form pertain to:

- The reporting of distinct statistics on capital expenditure as opposed to the GASB-based reporting of capital assets, related additions and depreciation.
- The reporting of financial assets, exclusive of capital and equipment measures.
- The reporting of all appropriations, grants, and gifts by source (Federal, state, local government, or private).
- The reporting of endowment earnings or revenue in components – interest earnings included at Part J10, dividend earnings at Part J11, gifts at Part J09, and realized earnings (gains) on the sale of investments at Part J11.
- The exclusion of depreciation as an expense item.
- Pell Grants are classified as payments for individuals. As such, Pell money is reported by category when it is used “on behalf of students” to cover student tuition, fees, purchases, and the like.

In addition to uses by the Census Bureau, these statistics are used, in aggregated form only, as source information for the National Income and Product Accounts developed by the Bureau of Economic Analysis, and for the Flow of Funds Accounts developed by the Federal Reserve Board.
GENERAL INSTRUCTIONS FOR PARTS J, K, AND L

Report data for the same fiscal year as reported in parts A through E. Report gross amounts but exclude interfund transfers. Include the transactions of all funds of your institution, with the exception of component units reported in Parts F or G.

These instructions conform to the U. S. Census Bureau’s Government Finance and Employment Classification Manual. This manual can be viewed on the Internet at

http://www.census.gov/govs/www/class.html

Do not delay reporting to await audited figures if substantially accurate figures can be supplied on a preliminary basis. The amounts reported for the Census Bureau part of the form are used for statistical purposes only. They are not audited, used for any indicators of compliance and have no implications for policy. They are not released to the public at the institutional level, but rather are aggregated to the parent government level and included with the transactions of the parent government.

INSTRUCTIONS FOR PART J - REVENUES

Report only in the unshaded blocks. Information for shaded blocks is obtained from other Parts of this form, or is not applicable to your institution.

Line

01 All amounts will be obtained from Parts B and E. The Census Bureau includes tuition and fees from part B plus discounts and allowances (applied to tuition) from Part E).
02 Sales and services -- Report separately only sales and service attributable to activities indicated for column 2 and column 4. All other amounts will be obtained from Parts B and E, or will be calculated.
03 Exclude Pell grants and any Federal loans received on behalf of the students. Include all other direct Federal grants, including research grants, in the appropriate column.
04 Include state appropriations in the proper column. Include all operating and non-operating appropriations, as well as all current and capital appropriations.
05 Include state grants and contracts in the proper column.
06 Include local government appropriations in the appropriate column, regardless of whether appropriations were for current or capital. This generally applies only to local institutions of higher education.
07 Include local grants and contracts in the appropriate column.
08 This item applies only to local institutions of higher education. Include in column 1 any revenue from locally imposed property taxes or other taxes levied by the local higher education district. Include all funds – current, restricted, unrestricted and debt service. Exclude taxes levied by another government and transferred to the local higher education district by the levying government.
09 Include gifts for both current and capital uses. Include grants from private organizations and individuals here. Include additions to permanent endowments if they are gifts. Exclude gifts to component units.

10 Report the total interest earned in column 1. Include all funds and endowments, but exclude earnings of component units if reported in Part F.

11 Dividends should be reported separately if available. Report only the total, in column 1, from all funds including endowments but excluding dividends of any component units. Note: if dividends are not separately available, please report include with Interest earnings in L10, column 1.

12 Report only the total earnings. The Census Bureau does not treat unrealized gains as revenues. Use column 1 only.

**INSTRUCTIONS FOR PART K – EXPENDITURES**

Report only in the unshaded blocks. Information for shaded blocks is obtained from other Parts of this form, or is not applicable to your institution.

**Line**

01 Report only the salaries & wages for Agricultural extension/experiment services, if applicable. The Census Bureau will obtain all other detail from Part C.

02 Report only the employee benefits for staff associated with Agricultural extension/experiment services, if applicable. The Census Bureau will obtain all other detail from Part C.

03 Applies to state institutions only. Include amounts paid to retirement systems operated by your state government only. Include employer contributions only. Exclude employee contributions withheld.

04 Includes supplies, materials, contracts and professional services, utilities, travel, and insurance. Excludes both employer and employee contributions to retirement, scholarships and fellowships (see line 09), capital outlay, and salaries.

05 Construction from all funds includes expenditure for the construction of new structures and other permanent improvements, additions replacements, and major alterations. Report in proper column according to function.

06 Equipment purchases from all funds.

07 From all funds, include the cost of land and existing structures, as well as the purchase of rights-of-way.

08 Interest paid on revenue debt only. Includes interest on debt issued by the institution, such as that which is repayable from pledged earnings, charges or fees (e.g. dormitory, stadium, or student union revenue bonds). Report only the total, in column 1. Excludes interest expenditure of the parent state or local government on debt issued on behalf of the institution and backed by that parent government. Also excludes interest on debt issued by a state dormitory or housing finance agency on behalf of the institution.

09 Do not report. The Census Bureau will obtain all amounts from Part E.
INSTRUCTIONS FOR PART L – DEBT AND ASSETS

Report only in the unshaded blocks. Information for shaded blocks is obtained from other Parts of this form, or is not applicable to your institution.

Lines 01 through 06 – Include revenue debt only. Includes debt issued by the institution, such as that which is repayable from pledged earnings, charges or fees (e.g. dormitory, stadium, or student union revenue bonds). Excludes debt of the parent state or local government issued on behalf of the institution and backed by that parent government. Also excludes debt issued by a state dormitory or housing finance agency on behalf of the institution. Report the appropriate category. Long-term debt and short-term debt are distinguished by length of term for repayment, with one year being the boundary. Short-term debt must be interest bearing.

Lines 07, 08, and 09 – Report the total amount of cash and security assets held in each category. Report assets at book value to the extent possible. Includes cash on hand in each type of fund. Sinking funds are those used exclusively to service debt. Bond funds are those established by your institution to disburse revenue bond proceeds. (Exclude bond funds established by your parent state or local government to disburse the proceeds of debt they guarantee.) All other funds might include current, plant, or endowment funds. Exclude the value of fixed assets and exclude any student loan funds established by the Federal government.
CENSUS BUREAU DEFINITION:
PUBLIC INSTITUTIONS OF HIGHER EDUCATION

The National Center for Education Statistics and the Bureau of the Census have similar definitions of what constitutes an institution of higher education, or postsecondary institution. The Census Bureau directory of institutions is largely confined, for purposes of this survey, to those sponsored by a state or local government. Both agencies take care to share information about their defined universes of institutions and are able to share these financial data by virtue of having developed links between their respective directories. Differences, where they exist, primarily reflect the Census Bureau’s needs to:

1. Aggregate data without regard to campus
2. Aggregate data and include it with other financial statistics of the affiliated, parent government unit, and
3. Distinguish between state-sponsored institutions and those sponsored by local governments or recognized as local public school systems.

Accordingly, only public institutions should complete Parts J, K, and L of this survey. All public institutions in the following states are classified as state institutions: Alabama, Alaska, Arkansas, Connecticut, Delaware, Georgia, Hawaii, Indiana, Kentucky, Maine, Massachusetts (except Quincy Junior College and Blue Hills Regional Technical Institute), Minnesota (except ATVIs), Nevada, New Hampshire, New Mexico (except vocational-technical schools, New Mexico Junior College, San Juan College and Santa Fe Community College), North Dakota, Ohio (except Cuyahoga Community College, Lakeland Community College, and Lorain County Community College), Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin (except ATVIs and technical colleges). States not on this list have a combination of State and locally controlled public institutions of higher education.

Community colleges in the following states are classified as local institutions of higher education: Arizona, California, Florida, Idaho, Illinois (except State Community College), Iowa, Kansas, Louisiana, Maryland (except the Community College of Baltimore), Michigan, Mississippi, Missouri, Montana, Nebraska, New Jersey, New York, North Carolina, Oregon, Pennsylvania, Texas, and Wyoming (two year colleges).
ACADEMIC SUPPORT EXPENSES This functional expense category includes expenses of activities and services that support the institution’s primary missions: instruction, research, and public service. It includes the retention, preservation, and display of educational materials (for example, libraries, museums, and galleries); organized activities that provide support services to the academic functions of the institution (such as a demonstration school associated with a college of education or veterinary and dental clinics if their primary purpose is to support the instructional program; media such as audiovisual services; academic administration (including academic deans but not department chairpersons); and formally organized and separately budgeted academic personnel development and course and curriculum development expenses. Also included are information technology expenses related to academic support activities; if an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this function and the remainder to institutional support. FASB institutions include actual or allocated costs for operation & maintenance of plant, interest, and depreciation. GASB institutions do not include operation & maintenance of plant or interest but may, as an option, distribute depreciation expense.

ACCUMULATED DEPRECIATION This is the total depreciation charged as expenses to date (in the current year and in prior years) on the capital assets of the institution. Many institutions had not historically recorded depreciation. When FASB institutions implemented FASB Statement No. 117 in 1995 and when GASB institutions implement GASB Statement No. 34, accumulated depreciation to date was or will be recognized upon implementation. When a capital asset is removed from the accounting records due to disposal or end of the asset’s useful life, the depreciation accumulated through the years on the asset is also removed from the records.

ADDITIONS TO PERMANENT ENDOWMENTS Institutions often have endowment funds that are classified as permanent endowments; these are funds that must be held in perpetuity with only the income generally available for use. When a GASB institution receives gifts restricted to a permanent endowment, the gift is reported on the Statement of Revenues, Expenses, and Changes in Net Assets below all operating and nonoperating activities on a line titled “additions to permanent endowments.” Any investment income on permanent endowments that must be added to the nonexpendable fund is not reported in this category, but is reported as nonoperating revenue.

ADJUSTMENTS TO BEGINNING NET ASSETS Unusual and infrequent adjustments that are not recorded as current year revenues, expenses, gains, or losses. This includes adjustments for retroactive applications of changes in accounting principles and prior period adjustments. This line on the IPEDS Survey may be set as an automatic balancing line; preparers should review the amount automatically generated to be sure data entry errors have not caused an incorrect amount to be shown.

AFFILIATED ORGANIZATIONS (Term applies to GASB institutions only.) This is a broad term to define legally separate organizations that are affiliated or associated with a primary institution. These organizations generally should be analyzed to determine if they should be reported as a component unit of the primary institution. These are organizations created for the primary purpose of assisting a primary institution to accomplish its mission and programs but are not subject to the institution’s organizational or procedural oversight. Fund-raising foundations, athletic associations, alumni associations, and research foundations are some examples of organization affiliated with colleges and universities. Depending on the organizational structure and other factors some organizations may be considered component units and reported by the primary institution and others will not be.

AICPA COLLEGE AND UNIVERSITY AUDIT GUIDE MODEL The AICPA Industry Audit Guide: Audits of Colleges and Universities issued by the American Institute of Certified Public Accountants (AICPA) contained the primary standards for financial reports of public colleges and universities prior to the effective date of GASB Statement Nos. 34 and 35. Standards of this Guide were permitted as one alternative by GASB Statement No. 15 for public institutions. GASB institutions must all implement Statement Nos. 34 and 35 not later than periods beginning after June 15, 2003. At that time the Guide will
be effectively obsolete. Once the AICPA issues the *AICPA Industry Audit Guide: Audits of State and Local Governments*, GASB institutions will be subject to its provisions. FASB institutions also followed the AICPA Audit Guide until 1995 when *FASB* Statement No. 117 was implemented. FASB institutions now are subject to the *AICPA Industry Audit Guide: Audits of Not-for-Profit Organizations*.

**ASSETS**

Physical items (tangible) or rights (intangible) that have value and that are owned by the institution. An asset is useful to the institution because it is a source of future services or because it can be used to secure future benefits. Assets are often divided into two categories, current and fixed. Current assets are those that can be readily turned into cash. Fixed assets are those that cannot readily be turned into cash without disrupting the operation of the institution. Fixed assets include intangible assets consisting of certain nonmaterial rights and benefits of an institution, such as patents, copyrights, trademarks and goodwill as well as tangible assets such as land, buildings, and equipment. Categories of assets may include the following items: 1) cash, cash equivalents, and temporary investments; 2) receivables (net of allowance for uncollectible accounts); 3) inventories, prepaid expenses, and deferred charges; 4) amounts held by trustees for construction and debt services; 5) long-term investments; 6) plant, property, and equipment; and 7) other assets (those assets not falling in one or more of the above six categories). The exact categories of assets that must be used are not specified and the above are examples only. GASB institutions are required to report assets under two categories—current assets and noncurrent assets.

**AUDIT OPINION**

The purpose of an audit performed by external (or outside) auditors is to issue an audit report that usually consists of a one-page “opinion” letter on the *general-purpose financial statements*. The audit is performed on the financial statements; the statements themselves are prepared by management of the institution and the auditor only issues an opinion related to those financial statements. The opinion letter contains a short explanation of the scope of the audit performed and refers to the authoritative auditing standards used for the audit work. The “opinion” paragraph of the letter usually states that “In our opinion, the financial statements present fairly, in all material respects, the financial position as of (date) and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States.” If the auditor cannot state completely the substance of the previous “opinion” sentence, then the auditor will add a phrase such as “…except for…” and state the basis for the exception. In some cases a separate paragraph may be included about the exceptions. When the auditor includes exceptions to the opinion, the opinion is considered to be a “qualified opinion;” when no such exception is included the opinion is considered to be an “unqualified opinion.” Financial statements that have been audited and on which the auditor has issued an audit opinion are often referred to as “audited financial statements.”

**AUXILIARY ENTERPRISES (EXPENSES)**

*Expenses* for essentially self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services, student health services, *intercollegiate athletics* (only if essentially self-supporting), college unions, college stores, barber shops, faculty and staff parking, and faculty housing. Also included are information technology expenses, actual or allocated costs for *operation & maintenance of plant*, and *depreciation* related to auxiliary enterprises (if separately assigned by the institution). FASB institutions also charge or allocate *interest* expense to auxiliary enterprises.

**BLENDING** (Term applies to GASB institutions only.) One of two ways that a *component unit* is included in the financial statements of a *primary institution*. This method of reporting is used when the primary institution and the component unit are so intertwined that they are in substance the same entity. The balances and transactions of the component unit are “blended” or combined (consolidated) with the primary institution such that the component unit’s financial activity is not identifiable from the primary institution. GASB Statement No. 14, paragraphs 52-54, contain more information on when blending should be used.

**BUILDINGS**

*Capital assets* built or acquired for occupancy and use by the entity. These are structures such as classrooms, research facilities, administrative offices, storage, etc. Includes built-in fixtures and
equipment that are essentially part of the permanent structure. Buildings held for the production of revenue are investments.

CAPITAL APPROPRIATIONS These are nonoperating revenues appropriated to a GASB institution by a government with the requirement that the funds be used primarily to acquire, construct, or improve capital assets, including buildings, land, equipment, and similar capital assets. Note that all appropriated funds used to acquire capital assets are not necessarily classified as capital appropriations, such as some general state appropriations used to acquire capital assets. Capital appropriations would all be reported in this category even if some amounts are expended for items that are not capitalized if the appropriation is designated primarily for capital assets. If an appropriation includes material amounts for both capital assets and other purposes, the revenues should be split between appropriate revenue categories. For example, if an appropriation is made for startup expenses of a new program and construction of a building for the program, the revenue would be split between state appropriations and capital appropriations.

CAPITAL ASSETS This term is used by GASB for tangible or intangible assets that are capitalized under an institution’s capitalization policy; some of these assets are subject to depreciation and some are not. These assets consist of land and land improvements, buildings, building improvements, machinery, equipment, infrastructure, and all other assets that are used in operations and that have initial useful lives extending beyond one year. Includes collections of works of art and historical treasure and library collections; however under certain conditions such collections may not be capitalized. Includes property acquired under capital leases and intangible assets such as patents, copyrights, trademarks, goodwill, and software. Excluded are assets that are part of endowment funds or other capital fund investments in real estate. When depreciable assets are capitalized, the cost is recorded as an asset and is included in expenses through depreciation. The capitalization policy defines the types of assets and minimum dollar values (i.e., equipment costing $5,000 or more) that an institution will capitalize; generally amounts not subject to capitalization are treated as expenses.

CAPITAL GRANTS & GIFTS These are revenues of a GASB institution - other than capital appropriations - where the funding source external to the institution specifies that they be used primarily to acquire, construct, or improve capital assets. Included would be gifts designated for a capital project. As with capital appropriations, the grant or gift must be primarily to acquire capital assets and, if so, all the revenues would be included in this classification even if nominal amounts were expended for other than capital assets. Thus a sponsored project that is funded primarily for operating expenses but includes funding for capital assets essential to the project would be grant & contracts-operating revenues. If a grant or gift includes material amounts for both capital assets and other purposes, the revenues should be split between appropriate revenue categories.

CAPITAL LEASES Capital assets may be acquired under lease arrangements in certain circumstances, as provided in FASB Statement No. 13 (applicable to both FASB and GASB institutions). These are leases where the institution in substance acquires the capital asset or the right to use it for most or all of its economic life through a lease arrangement. Institutions are required to recognize such assets in its financial statements and to also recognize the lease payment obligations as liabilities. The lease is basically considered a form of financing used to acquire the capital asset. Capital leases are subject to depreciation the same as other capital assets.

CHANGE IN NET ASSETS This is the term used to describe the net amount of revenues, expenses, gains and losses for the reporting period. A line of this description appears on the Statement of Revenues, Expenses, and Changes in Net Assets for GASB organizations and on the Statement of Activities for FASB organizations.

COMPONENT UNIT (Term applies to GASB institutions only.) Legally separate organizations for which the governing board and/or management of the primary institution is financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary institution is such that exclusion would cause the primary institution’s financial statements to be misleading or incomplete. Component units are required to be reported in the financial statements of the primary institution, either discretely presented or by blending. See also affiliated organizations.
CONSTRUCTION IN PROGRESS  *Capital assets* under construction or development that have not yet been placed into service, such as a building or parking lot. Capital assets are not subject to *depreciation* while in a construction in progress status.

CONTRIBUTIONS FROM AFFILIATED ORGANIZATIONS  *Revenues* from *non-consolidated affiliated entities*, such as fund raising foundations, booster clubs, other institutionally related foundations, and similar organizations created to support the institution or organizational units of the institution. The IPEDS Finance Survey for *FASB* institutions includes a separate line for reporting these revenues. For *GASB* institutions, such revenues would be reported as *Gifts*.

CURRENT ASSETS  *Assets* that are reasonably expected to be realized in cash or sold or consumed during the next normal operating cycle (normally one year) of the institution. Liquidity or nearness to cash is not the basis for determining classification as current or *noncurrent*. Thus cash or investments intended for liquidation of *liabilities* due beyond the one-year period would not be current assets. All current and noncurrent classifications should be determined as discussed in chapter 3 of the AICPA’s Accounting Research Bulletin No. 43. May include cash & cash equivalents, investments, accounts and notes receivables, and inventories among others; however all of these assets may have portions that are noncurrent.

CURRENT LIABILITIES  *Liabilities* whose liquidation is reasonably expected to require the use of resources classified as *current assets* or the creation of other current liabilities within the next year. All current and noncurrent classifications should be determined as discussed in chapter 3 of the AICPA’s Accounting Research Bulletin No. 43. May include accounts payable, accrued *salaries & wages*, deferred revenues, and *long-term debt current portion*, among others.

DEPRECIATION  The allocation or distribution of the cost of *capital assets*, less any salvage value, to *expenses* over the estimated useful life of the asset in a systematic and rational manner. Depreciation for the year is the amount of the allocation or distribution for the year involved.

DISCOUNTS & ALLOWANCES  In general a discount or allowance refers to a reduction in the amount charged for goods or services. The discount and allowance is reported as a reduction of *revenues* (rather than as *expenses*). Common discounts or allowances of colleges and universities relate to *tuition & fees*, student housing, and other student charges. If a student receives a reduction in tuition & fees or in *auxiliary enterprises* charges because of *scholarships and fellowships* or other *nonexchange transactions* provided by the institution, then the reduction is called an allowance. *NACUBO* Advisory Report AR 97-1, states “A scholarship allowance is the difference between the stated charge for goods and services provided by the institutions and the amount which is billed to students and/or third parties making payment on behalf of students. In considering what is or is not revenue, the following rule applies: amounts received to satisfy student tuition and fees will be recognized as tuition and fee revenues.” Similar language is included in NACUBO Advisory Report 2000-05. When a student is not required to pay fees or other charges because of the award of a scholarship, fellowship, grant-in-aid, fee waiver, or similar arrangement provided by the institution, the revenues normally recorded for the related goods or services are reported “net” of the discount and allowance – that is the revenue is recognized as the amount of the normal revenue amount reduced by the discount or allowance. Reductions in amounts charged for goods or services should be reported as expenses (and revenue recognized at normal amounts) if such reductions are given in exchange for goods or services provided to the institution, such as part of a compensation package (such as fee waivers provided to employees and graduate assistants). *Hospitals* operated by institutions also have various discounts and allowances, such as contractual allowances provided to insurers or other group health providers. See *patient contractual allowances*.

DISCRETELY PRESENTED  (Term applies to *GASB* institutions only.) One of two ways that a *component unit* is included in the financial statements of a *primary institution*. This method is used...
when an organization has been determined to be a component unit but the blending method of presentation is not appropriate. The component unit’s financial information is presented in a discrete or separate manner in a separate column on the face of the financial statements. More than one component may be combined into one column on the face of the statements; in this case component units considered to be “major” units must have individual component unit condensed financial statements included in the notes to financial statements.

EMPLOYEE FRINGE BENEFITS A natural or object classification of certain expenses. These are the cost of benefits provided to employees in addition to salaries & wages They include cash contributions in the form of supplementary or deferred compensation other than salary, retirement plans, social security taxes, medical/dental plans, guaranteed disability income protection plans, tuition plans, housing plans, unemployment compensation plans, group life insurance plans, worker’s compensation plans, and other benefits in-kind with cash options. Employee fringe benefits paid by one entity on behalf of the employees of another employer, such as payments by a state directly to a retirement plan on behalf of the employees of the institution, should be reported as expenses (and revenues) by the institution in accordance with the provisions of GASB Statement No. 24. A cafeteria plan or flexible benefit plan permits employees to select from among several benefit options. They exclude the employee's contributions.

EQUIPMENT Moveable tangible property such as research equipment, vehicles, machinery, and office equipment that meets the institution’s capitalization policy for capital assets.

EXCHANGE TRANSACTIONS Transactions between two or more parties (the institution and one or more external parties) in which each party receives and gives up essentially equal values - something of value (benefit) passes between the parties. There is a reciprocal transfer between the parties that involves obtaining assets or satisfying liabilities (or both) by giving up other assets or incurring other liabilities (or both). These transactions involve a quid pro quo (something for something). GASB treats “exchange-like transactions” as exchange transactions. An exchange-like transaction is one in which the values exchanged, though related, may not be quite equal or in which the direct benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics of the transaction are strong enough to justify treating the transaction as an exchange for accounting recognition. Transactions that are not exchange transactions are nonexchange transactions. For GASB institutions the receipt of assets in an exchange transaction usually results in operating revenues (with investment income being one obvious exception, possibly among other exceptions).

EXPENSES These are the outflow or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the institution’s ongoing major or central operations or in generating revenues. Alternatively expenses may be thought of as the costs of goods and services used to produce the educational services provided by the institution. Expenses result in a reduction of net assets. See “losses” also.

FIDUCIARY FUNDS Resources held and administered by the institution when it is acting in a fiduciary capacity for individuals, private organizations, or governments. These are funds the institution holds in a trustee or agency capacity for others and the funds therefore cannot be used to support the institution’s own programs. Included are pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds (i.e., agency transactions). Fiduciary funds are not included in entity-wide financial statements of GASB organizations, but separate “fund” financial statements of the fiduciary funds only are included with the financial statements.

GAINS These are increases in the institution’s net assets from peripheral or incidental transactions. This is in contrast to revenues which occur from the institution’s ongoing major or central operations. Whether a transaction generates revenue or a gain depends on the relationship of the transaction to the institution’s activities. For example, the sale of computers by a college store might be part of ongoing central activities while the sale of surplus computers from administrative offices might not be.

GASB The Governmental Accounting Standards Board (GASB) is recognized by the American Institute of Certified Public Accountants (AICPA) as the body authorized to establish accounting standards for local
and state governmental entities, including governmental colleges and universities. The GASB establishes the highest level of generally accepted accounting principles (GAAP) for these governmental entities. In the IPEDS Finance Survey, institutions that follow the standards of the GASB are referred to as “GASB institutions” (although they are frequently called public institutions).

GASB GOVERNMENTAL MODEL USING STANDARDS PRIOR TO GASB 34 Prior to the GASB model using GASB 34 & 35, some governmental colleges and universities used the “governmental model” of financial reporting. This reporting model and standards, followed primarily by some institutions with taxing authority, used the same financial reporting standards as state and local governments. Those institutions previously using this model and who have not implemented GASB Statement Nos. 34 and 35 should continue to use the same model until their required implementation date of GASB Statement Nos. 34 and 35.

GASB MODEL, USING GASB 34 & 35 GASB Statement Nos. 34 and 35 require all governmental colleges and universities to issue financial statements using the reporting model and standards of those statements. The required implementation date is based on annual revenues, with implementation dates from years beginning after June 15, 2001, to June 15, 2003. Until such time as the standards of these statements are implemented, institutions are required to continue using the model previously used. The two previous models are the GASB governmental model using standards prior to GASB 34 and the AICPA College and University Audit Guide model.

GIFTS Revenues received from gift or contribution nonexchange transactions. Includes bequests, promises to give (pledges), gifts from an affiliated organization or a component unit not blended or consolidated, and income from funds held in irrevocable trusts or distributable at the direction of the trustees of the trusts. Includes any contributed services recognized (recorded) by the institution. FASB and GASB standards differ somewhat on when to recognize contributions or nonexchange revenues, with FASB standards generally causing revenues to be recognized earlier in certain circumstances. FASB considers time requirements applied to a gift to be a “restriction” and thus not causing a delay in revenue recognition while GASB considers time requirements to be an eligibility requirement which may cause a delay in revenue recognition. There are other differences.

GOVERNMENT APPROPRIATIONS Revenues received by an institution through acts of a legislative body, except governmental grants and contracts. These funds are for meeting current operating expenses of the institution in general or major program (such as a medical school) and not for a specific project or program. The most common example is a state's general appropriation. Appropriations should be classified to identify the governmental level – federal, state, or local – of the legislative body making the appropriation to the institution. Federal appropriations accounted for by the institution as operating revenue should be classified as grants and contracts – operating for purposes of IPEDS reporting. Appropriations primarily to fund capital assets are classified as capital appropriations.

GRANTS AND CONTRACTS (REVENUES) Revenues from governmental agencies and nongovernmental parties for specific research projects, other types of programs, or for general institutional operations (if not government appropriations). Examples are research projects, training programs, student financial assistance, and similar activities for which amounts are received or expenses are reimbursable under the terms of a grant or contract, including amounts to cover both direct and indirect expenses. Includes Pell grants and reimbursement for costs of administering federal financial aid programs. Grants and contracts should be classified to identify the governmental level – federal, state, or local – funding the grant or contract to the institution; grants and contracts from other sources are classified as nongovernmental grants and contracts. GASB institutions are required to classify in financial reports such grants and contracts as either operating or nonoperating.

GRANTS BY LOCAL GOVERNMENTS These are local monies awarded to the institution under local government student financial aid programs. If the local government selects the student recipients and simply transmits the funds to the institution for disbursement to the student, the amounts are not recorded as revenues and subsequently there are no discounts & allowances or scholarships and fellowships expenses. If the funds are made available to the institution for selection of student recipients, then the amounts received are recorded as revenues and subsequently as discounts & allowance or scholarships and fellowships expenses. On the form for “Student Grants” FASB institutions will record the total of all
such amounts whether recipients are selected by the government or by the institution. Where recipients are selected by the institutions, GASB institutions will report these amounts on the form for Scholarships and Fellowships and on the line for “Grants by local government.”

GRANTS BY STATE GOVERNMENT These are state monies awarded to the institution under state student financial aid programs, including the state portion of State Student Incentive Grants (SSIG). If the state government selects the student recipients and simply transmits the funds to the institution for disbursement to the student, the amounts are not recorded as revenues and subsequently there are no discounts & allowances or scholarships and fellowships expenses. If the funds are made available to the institution for selection of student recipients, then the amounts received are recorded as revenues and subsequently as discounts & allowance or scholarships and fellowships expenses. On the form for “Student Grants” FASB institutions will record the total of all such amounts whether recipients are selected by the government or by the institution. Where recipients are selected by the institutions, GASB institutions will report these amounts on the form for Scholarships and Fellowships and on the line for “Grants by state government.”

GRANTS-NONOPERATING Revenues from governmental and nongovernmental parties where the revenues are not directly generated by operating activities of the institution but from nonexchange transactions. Although such revenues may be used for operating expenses, the revenues remain nonoperating. Includes Pell grants and similar resources from all levels of government used for scholarships and fellowships.

HOSPITAL SERVICES Expenses associated with a hospital operated by the institution (but not as a component unit) and reported as a part of the institution. This classification includes nursing expenses, other professional services, general services, administrative services, and fiscal services. Also included are information technology expenses, actual or allocated costs for operation & maintenance of plant, and depreciation related to hospital capital assets. FASB institutions also charge or allocate interest expense to hospitals.

INDEBTEDNESS ON CAPITAL ASSETS These are liabilities associated with the debt incurred in financing the institution's capital assets, including bonds, mortgages, notes, capital leases, and any other outstanding debt that was incurred to acquire, construct, or improve capital assets. Excluded is indebtedness issued and backed by the state government and that will be repaid by the state from sources other than institutional funds.

INDEPENDENT OPERATIONS (EXPENSES) Expenses associated with operations that are independent of or unrelated to the primary missions of the institution (i.e., instruction, research, public service) although they may contribute indirectly to the enhancement of these programs. This category is generally limited to expenses of a major federally funded research and development center. Also included are information technology expenses, actual or allocated costs for operation & maintenance of plant, and depreciation related to the independent operations. FASB institutions also charge or allocate interest expense to independent operations. Excluded are expenses of operations owned and managed as investments of the institution's endowment funds.

INDEPENDENT OPERATIONS (REVENUES) Revenues associated with operations independent of or unrelated to the primary missions of the institution (i.e., instruction, research, public service) although they may contribute indirectly to the enhancement of these programs. This category generally includes only those revenues associated with major federally funded research and development centers. Excluded is the net profit (or loss) from operations owned and managed as investments of the institution's endowment funds.

INFRASTRUCTURE Capital assets consisting of roads, bridges, drainage systems, water and sewer systems, and other similar assets. Infrastructure assets usually have longer useful lives than other capital assets such as buildings. Infrastructure is subject to depreciation (if depreciable assets) unless the “modified approach” is used; see GASB Statement No. 34, paragraphs 23-26, for information on the modified approach.
INSTITUTIONAL GRANTS FROM RESTRICTED RESOURCES These are institutional grants funded from restricted-expendable resources for student aid, such as scholarships and fellowships. Total amounts granted during the year (without considering the amount that may subsequently be classified as discounts & allowances) should be reported. FASB institutions report on the form “Student Grants” and GASB institutions report on the form “Scholarships and Fellowships.”

INSTITUTIONAL GRANTS FROM UNRESTRICTED RESOURCES These are institutional grants funded from unrestricted institutional resources. Total amounts granted during the year (without considering the amount that may subsequently be classified as discounts & allowances) should be reported. FASB institutions report on the form “Student Grants” and GASB institutions report on the form “Scholarships and Fellowships.”

INSTITUTIONAL SUPPORT This functional expense category includes expenses for the day-to-day operational support of the institution. This includes expenses for general administrative services, central executive-level activities concerned with management and long-range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development. This function excludes expenses for operation & maintenance of plant. Also included are information technology expenses related to institutional support activities; if an institution does not separately budget and expense information technology resources, the costs associated with student services and operation & maintenance of plant will also be applied to this function. FASB institutions include actual or allocated costs for operation & maintenance of plant, interest, and depreciation. GASB institutions do not include operation and maintenance of plant or interest but may, as an option, distribute depreciation expense. Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and independent operations, and any other activity not reported under the educational and general functional expense category heading of expenses.

INSTRUCTION This functional expense category includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and regular, special, and extension sessions. Also includes expenses for both credit and not-credit activities. Excludes expenses for academic administration if the primary function is administration (e.g., academic deans). Also included are information technology expenses related to instructional activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support). FASB institutions include actual or allocated costs for operation & maintenance of plant, interest, and depreciation. GASB institutions do not include operation & maintenance of plant or interest but may, as an option, distribute depreciation expense.

INTEREST The price paid (or received) for the use of money over a period of time. Interest income is one component of investment income. Interest paid by the institution is an interest expense.

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT Net assets of GASB institutions that consist of capital assets, net of accumulated depreciation and reduced by the outstanding indebtedness on capital assets. FASB institutions do not use this classification; most of the equivalent net assets would be reported as unrestricted net assets.

INVESTMENT INCOME Revenues derived from the institution’s investments, including investments of endowment funds. Such income may take the form of interest income, dividend income, rental income or royalty income and includes both realized and unrealized gains and losses (see investment gains or losses). Investment income may be reported net of investment expenses. FASB institutions use the term “investment return.”

INVESTMENT RETURN The term used by FASB institutions for investment income.

LAND & LAND IMPROVEMENTS Capital assets consisting of land and improvements such as athletic fields, golf courses, lakes, etc. Land is nondepreciable; some land improvements are depreciable assets and some are nondepreciable.
LIABILITIES Debts and obligations of the institution owed to outsiders or claims or rights, expressed in monetary terms, of an institution's creditors. Two types of liabilities are often defined, short-term and long term. Short-term liabilities are those that will be satisfied or paid within one year. Long-term liabilities are those that will not be satisfied within a year. Liabilities include: 1) accounts payable; 2) deferred revenues and refundable advances; 3) post-retirement and post-employment obligations; 4) other accrued liabilities; 5) annuity and life income obligations and other amounts held for the benefits of others; 6) bonds, notes, capital leases payable, and other long-term debt, including current portions; 7) government grants refundable under student loan programs; and 8) other liabilities (those liabilities not falling in one or more of the above seven categories). The exact categories of liabilities that must be used are not specified and the above are examples only. GASB institutions are required to report liabilities under two categories – current liabilities and noncurrent liabilities.

LIBRARY COLLECTIONS Expenditures for all print material, microfilm, microfiche, audiovisual materials such as records and films, and computer software that is part of the collection made available to patrons and that are capitalized under the institution’s capitalization policy. Excludes expenditures for hardware of any kind (e.g., computer terminals, microfiche readers, record players, and projectors). Capitalized library collections may or may not be subject to depreciation, depending on the institution’s policy.

LOCAL APPROPRIATIONS, EDUCATION DISTRICT TAXES, & SIMILAR SUPPORT (REVENUE) Local appropriations are government appropriations made by a governmental entity below the state level. Education district taxes include all tax revenues assessed directly by an institution or on behalf of an institution when the institution will receive the exact amount collected. These revenues also include similar revenues that result from actions of local governments or citizens (such as through a referendum) that result in receipt by the institution of revenues based on collections of other taxes or resources (sales taxes, gambling taxes, etc.)

LONG-TERM DEBT Debt of the institution in the form of bonds, notes, capital leases, and other forms of debt that are repayable over a period greater than one year. See long-term debt-current portion.

LONG-TERM DEBT-CURRENT PORTION This is the amount of long-term debt that is expected to require current assets to pay or liquidate during the next year.

LONG-TERM INVESTMENTS Money or capital invested for purposes of receiving a profitable return over a period of time of more than one year. Long-term investments should be distinguished from temporary investments based on the intention of the organization regarding the terms of the investment rather than the nature of the investment itself. Includes the following items: 1) cash held until appropriate investments are identified; 2) repurchase agreements and other money market media; 3) equity securities and mutual fund investments; 4) debt securities; 5) real estate held for income production; 6) beneficial interest in trusts; and 7) other. GASB institutions report these investments under “noncurrent assets”

LOSSES These are decreases in net assets from an organization’s peripheral or incidental transactions and other events and circumstances affecting the organization other than those that result from expenses.

NET ASSETS The excess of assets over liabilities or the residual interest in the institution's assets remaining after liabilities are deducted. The change in net assets results from revenues, gains, expenses, and losses. FASB institutions classify net assets into three categories; permanently restricted, temporarily restricted, and unrestricted. GASB institutions classify net assets into three categories: invested in capital, net of related debt, restricted (with separate display of restricted-expendable and restricted-nonexpendable net assets), and unrestricted. Although the terms are similar, the composition of the categories of net assets between FASB and GASB institutions can differ significantly.

NONCURRENT ASSETS Assets that are not reasonably expected to be realized in cash or sold or consumed during the next normal operating cycle (normally one year) of the institution. Liquidity or nearness to cash is not the basis for determining classification as current or noncurrent. Thus cash or investments intended for liquidation of liabilities due beyond the one-year period would be noncurrent.
assets, as would assets segregated for the liquidation of long-term debts (including amounts due within the next operating cycle). Assets designated to be used to acquire, construct, or improve capital assets would be noncurrent. All current and noncurrent classifications should be determined as discussed in chapter 3 of the AICPA’s Accounting Research Bulletin No. 43.

NONCURRENT LIABILITIES Liabilities whose liquidation is not reasonably expected to require the use of resources classified as current assets or the creation of other current liabilities within the next year. This includes the noncurrent portion of long-term debt and long-term accrued liabilities (such as for compensated absences, claims & judgments, and post-employment/post-retirement benefits). This also includes the liability for refundable advances to the federal government for the Perkins Loan Program and similar loan programs. Noncurrent liabilities will also include debt due within the next operating cycle if payment will be made from segregated assets classified as noncurrent assets. All current and noncurrent classifications should be determined as discussed in chapter 3 of the AICPA’s Accounting Research Bulletin No. 43.

NONOPERATING GASB requires that revenues and expenses be separated between operating and nonoperating. Operating revenues and expenses result from providing goods and services. Nonoperating activities are those outside the activities that are part of the operating activities of the institution. Most government appropriations are nonoperating because they are not generated by the operations of the institution. Investment income is nonoperating in most instances because institutions are not engaged in investing as an operating activity. Gifts are defined as nonoperating. Nonexchange transactions generate nonoperating revenues.

OPERATING GASB requires that revenues and expenses be separated between operating and nonoperating. Operating revenues and expenses result from providing goods and services. Operating transactions are incurred in the course of the operating activities of the institution. GASB includes in operating activities all those that do not fit within the cash flow categories of noncapital financing activities, capital and related financing activities, or investing activities. See GASB Statement No. 9 for more details on cash flow categories. There is a high degree of consistency between exchange transactions and operating, but there are a few exceptions.

OPERATION & MAINTENANCE OF PLANT (EXPENSES) This functional expense category includes expenses for operations established to provide service and maintenance related to campus grounds, buildings, and other facilities used for educational and general purposes. Specific expenses include utilities, fire protection, property insurance, and similar items. Safety and security expenses are also included. This function does not include amounts charged to auxiliary enterprises, hospitals, and independent operations. Also included are information technology expenses related to operation & maintenance of plant activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in institutional support). Institutions may, as an option, distribute depreciation expense to this function. FASB institutions do not use this function; instead these expenses are charged to or allocated to other functions.

OTHER ADDITIONS & DEDUCTIONS This is a line included on the IPEDS Part for component units. It should be the net of all transactions not classified as operating or nonoperating.

OTHER EXPENSES & DEDUCTIONS This is a line included on the GASB Part for expenses and other deductions, primarily to provide a line for automatically balancing to the total operating expenses.

OTHER FEDERAL GRANTS These are federal monies awarded to the institution under federal government student aid programs, such as Supplemental Educational Opportunity Grants, DHHS training grants (aid portion only), State Student Incentive Grants, and other federal student aid programs. Pell grants are not included in this classification. If the federal government selects the student recipients and simply transmits the funds to the institution for disbursement to the student, the amounts are not recorded as revenues and subsequently there are no discounts & allowances or scholarships and fellowships expenses. If the funds are made available to the institution for selection of student recipients, then the amounts received are recorded as nonoperating revenues and subsequently as discounts & allowance or scholarships and fellowships expenses. On the form for “Student Grants” FASB institutions will record the total of all such amounts whether recipients are selected by the government or
by the institution, including the federal portion of the College Work Student Program. GASB institutions will report on the form for Scholarships and Fellowships those amounts where recipients are selected by the institution on the line for “Other federal grants.”

OTHER NONOPERATING EXPENSES & DEDUCTIONS This is a line included on Part E-GASB as an automatic balancing line. If there are nonoperating expenses or deductions other than interest expense, the amounts would show on this line.

OTHER NONOPERATING REVENUES This is a line on Part D-GASB as an automatic balancing line. If there are nonoperating revenues that do not fit any of the other lines provided they would show on this line.

OTHER REVENUES & ADDITIONS This is a line included on Part D-GASB. The section with this heading includes all revenues and additions that are not reported as either operating or nonoperating revenues. There is also a separate line with this same title; this line is used to automatically balance the section total.

OTHER SOURCES-OPERATING (REVENUES) This classification includes all revenues not included in other operating classifications. Examples are miscellaneous rentals and sales, and terminated annuity or life income agreements, if not material. Also includes revenues resulting from the sales and services of internal service departments to persons or agencies external to the institution (e.g., the sale of computer time).

PATIENT CONTRACTUAL ALLOWANCES – Contractual allowances provided to insurers or other group health providers.

PELL GRANTS The Pell grant program (Higher Education Act of 1965, Title IV, Part A, Subpart I, as amended) provides grant assistance to eligible undergraduate postsecondary students with demonstrated financial need to help meet educational expenses. FASB institutions generally report Pell grants as agency transactions. GASB institutions report the receipt of funds from the federal government as nonoperating revenues and the use of funds as discounts & allowances and/or scholarships and fellowships expenses.

PERMANENTLY RESTRICTED Net assets of FASB institutions that must be maintained in perpetuity. Permanently restricted net assets increase when institutions receive contributions for which donor-imposed restrictions limiting the institution’s use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the organization’s meeting certain requirements. Donor-imposed restrictions on the use of investment income on the assets may also change the amount of such net assets. Permanent endowment funds are the most common example.

PUBLIC INSTITUTIONS Educational institutions whose programs and activities are operated by publicly elected or appointed school officials and which is supported primarily by public funds. These are mostly GASB institutions although a few such institutions follow the FASB not-for-profit reporting model and standards.

PUBLIC SERVICE (EXPENSES) This functional expense category includes expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Examples are conferences, institutes, general advisory services, reference bureaus, and similar services provided to particular sectors of the community. This function includes expenses for community services, cooperative extension services and public broadcasting services. Also included are information technology expenses related to public service activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support). FASB institutions include actual or allocated costs for operation & maintenance of plant, interest, and depreciation. GASB institutions do not include operation & maintenance of plant or interest but may, as an option, distribute depreciation expense.

REPORTING MODEL AND STANDARDS Both FASB and GASB issue authoritative guidance for the preparation of general-purpose financial statements. The rules and criteria specified are called...
“standards” in accounting terminology. There are sometimes alternative ways or bases (referred to as models) specified for the formats and standards to be applied in presenting financial information; for example there are three models permitted by GASB Statement No. 34.

RESEARCH (EXPENSES) This functional expense category includes expenses for activities specifically organized to produce research outcomes whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. The category includes institutes and research centers and individual and project research. This function does not include nonresearch sponsored programs (e.g., training programs). Also included are information technology expenses related to research activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support). FASB institutions include actual or allocated costs for operation & maintenance of plant, interest, and depreciation. GASB institutions do not include operation & maintenance of plant or interest but may, as an option, distribute depreciation expense.

RESTRICTED-EXPENDABLE Net assets of GASB institutions that are expendable but subject to imposed restrictions. Restrictions exist when constraints placed on use are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED-NONEXPENDABLE Net assets of GASB institutions subject to restrictions that prohibit the expenditure of the net assets in perpetuity. Restrictions exist when constraints placed on use are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Permanent endowment funds are the most common example.

REVENUES The inflow of resources or other enhancements of net assets of an institution or settlements of its liabilities (or a combination of both) from delivering or producing goods, rendering services, or other activities that constitute the institution’s ongoing major or central operations. Included are revenues from fees and charges, appropriations, auxiliary enterprises, and contributions and other nonexchange transactions. Revenues are reported net of discounts & allowances (that is, the revenue reported is reduced by the amount of discounts and allowances). The NACUBO FARM recommends the following classifications based on the source of the revenues:

  Tuition and fees
  Government appropriations (Federal, state, and local)
  Government grants and contracts (Federal, state, and local)
  Nongovernmental grants and contracts
  Gifts
  Endowment income (not used by FASB organizations)
  Sales and services of educational activities
  Sales and services of Auxiliary Enterprises
  Sales and services of Hospitals
  Other sources
  Independent operations

GASB institutions are required by GASB Statement No. 34 to report “operating” and “nonoperating” revenues in separate sections. The FASB has no similar requirements or prohibitions on such reporting.

REVENUES, GAINS, & OTHER SUPPORT The term used by FASB organizations for inflows of enhancements to net assets.

SALARIES & WAGES Amounts paid as compensation for services to all employees – faculty, staff, part time, full time, regular employees, and student employees. This includes regular or periodic payments to a person for the regular or periodic performance of work or a service and payment to a person for more sporadic performance of work or a service (overtime, extra compensation, summer compensation, bonuses, sick or annual leave, etc.). The term does not include employee fringe benefits although a more expansive term such as “compensation expenses” might include both.
SALES & SERVICES OF AUXILIARY ENTERPRISES (REVENUES)  
*Revenues* generated by the operations of the *auxiliary enterprises* of the institution. Revenues are reported net of *discounts & allowances*.

SALES AND SERVICES OF HOSPITALS (REVENUES)  
*Revenues* generated by a hospital operated by the institution from daily patient, special, and other services. Includes revenues of health clinics that are part of the hospital unless such clinics are part of the student health services program. Revenues are included net of *discounts & allowances*. Revenues associated with the medical school are included elsewhere. Also includes all amounts appropriated by governments (federal, state, local) for the operation of hospitals.

SCHOLARSHIPS AND FELLOWSHIPS (General term)  
Outright grants-in-aid, trainee stipends, tuition and fee waivers, and prizes awarded to students by the institution, including *Pell grants*. These awards do not require the performance of services and contain no on-going obligation by the student recipient to repay the amounts or to engage in any particular conduct while a student (such as teaching) or subsequently as a result of the scholarship or fellowship. Awards to undergraduate students are most commonly referred to as “scholarships” and those to graduate students as “fellowships.” The term does not include *loans to students* (subject to repayment), *college work-study program expenses* or awards granted because of faculty or staff status. Also not included are awards to students where the selection of the student recipient is not made by the institution (although the selecting party may refer to the award as a scholarship or fellowship); these are often internally accounted for as *agency transactions* or through asset or liability accounts (they do not generate *revenues*, *expenses*, or *discounts & allowances*). Scholarships and fellowships are included in financial statements in two categories. Those amounts used to offset institutional fees and charges are reported as *discounts & allowances* and those in excess of fees and charges are reported as *scholarships and fellowships expenses*. See also “financial aid.”

SCHOLARSHIPS AND FELLOWSHIPS (EXPENSES)  
This *functional expense category* includes scholarships and fellowships treated as *expenses* because the institution incurs an incremental expense in the provision of a good or service. Thus, payments made to students or third parties in support of the total cost of education are expenses if those payments are made for goods and services NOT provided by the institution. Examples include payments for services to third parties (including students) for off-campus housing or for the cost of board provided by institutional contract meal plans. The amount of expense in this function is the total of all institutional scholarships and fellowships reduced by amounts that are classified as *discounts & allowances*. The FASB survey uses the term “*net grant aid to students*” rather than “scholarships and fellowships.”

STATE APPROPRIATIONS (REVENUE)  
Appropriations made by a state. See *government appropriations* (revenues).

STUDENT SERVICES (EXPENSES)  
This *functional expense category* includes *expenses* for admissions, registrar activities, and activities whose primary purpose is to contribute to students’ emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal academic program (remedial instruction for example), career guidance, counseling, financial aid administration, and student records. *Intercollegiate athletics* and student health services may be included except when operated as essentially self-supporting *auxiliary enterprises*. Also included are information technology expenses related to student service activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in *institutional support*). *FASB* institutions include actual or allocated costs for *operation & maintenance of plant, interest*, and *depreciation*. *GASB* institutions do not include operation & maintenance of plant or interest but may, as an option, distribute depreciation expense.

SYSTEM  
An organization of two or more institutions of higher education under the control or supervision of a common administrative, governing body. Governing bodies generally have the power to act in their own name, to hire and fire personnel, enter into contracts, etc. A coordinating body without these powers or a section of a state agency usually would not be considered a system office.
TEMPORARILY RESTRICTED **Net assets** of FASB institutions whose use by the institution has been limited by donor specification as to use or the time when use may occur (such as a later periods of time or after specified events have occurred).

TUITION & FEES (REVENUES) **Revenues** from all tuition and fees assessed against students (net of refunds and **discounts & allowances**) for educational purposes. If tuition or fees are remitted to the state as an offset to the state appropriation, the total of such tuition or fees should be deducted from the total state appropriation and added to the total for tuition and fees. If an all-inclusive charge is made for tuition, board, room, and other services, a reasonable distribution should be made between revenues for tuition and fees and revenues for auxiliary enterprises. Tuition and fees excludes charges for room, board, and other services rendered by auxiliary enterprises.

UNQUALIFIED OPINION An **audit opinion** on the **general-purpose financial statements** that contains no qualifications or statements of exception by the auditor as to the fairness of the presentation of the financial statements. This is sometimes referred to as a “clean opinion” in business slang.

UNRESTRICTED The **net assets** of both FASB and GASB institutions that do not fit the definition of any other category of net assets. These are net assets held by the institution upon which no restrictions have been placed by the donor or other party external to the institution.