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U. S. Department of Education
Office of Educational Research and Improvement

NATIONAL CENTER FOR EDUCATION STATISTICS

Working Paper Series

Pilot Test of IPEDS Finance Survey

Working Paper No. 97-27 October 1997

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Foreword

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Pilot Test of IPEDS Finance Survey

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National Center for Education Statistics

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INTRODUCTION AND STUDY OBJECTIVES

The Private Institution IPEDS PRETEST Finance Survey (PRETEST Survey) was sent to a sample of 1,000 private colleges and universities for fiscal year 1996. As of May 9, 1997, the Bureau of the Census had received and completed edit checks for some 512 respondents or 50 percent of the institutions included in the pretest. This pilot test study provides a comprehensive review of 36 of the institutional responses to the PRETEST Survey selected by the bureau from a broad cross section of colleges and universities based on Carnegie classifications. The pilot test analysis consists of a detailed comparison of the data for each of the PRETEST Survey study participants with the institutional general purpose financial statement (GPFS) information, in addition to a line-by-line comparison of the PRETEST revenue and expense data with the revenues, expenditures, and transfers reported in the IPEDS Finance Survey for 1996. The purposes of these comparative analyses are to determine:

a. The extent to which the data requirements of the PRETEST Survey coincide with information contained in institutional general purpose financial statements. This analysis compares financial statement totals and line-by-line PRETEST data requirements with information displayed in the general purpose financial statements. Comparative worksheets were completed for each pilot test institution. A sample worksheet is included as appendix C.

b. The extent to which the data of the PRETEST Survey provide the information necessary to approximate the current fund revenue and expense/expenditure data provided in the IPEDS Finance Survey. The analysis adjusts the revenues, expenses, gains, and losses reported in the PRETEST Survey and compares the adjusted amounts on a line-by-line basis with current fund revenues, expenditures, and transfers reported in the IPEDS Finance Survey. The result identifies the differences in the reported amounts by revenue source category and expense function, which the NACUBO Technical Review Panel is unable to explain from information included in the PRETEST Survey. Comparative worksheets were completed for each pilot test institution. A sample worksheet is included as appendix C.

c. The extent to which the PRETEST Survey information requirements presented a significant reporting burden and where instructions and definitions should be clarified or changed. Through the use of a questionnaire and discussion with pilot study participants, specific areas of concern regarding data requirements, instructions, and definitions of the PRETEST Survey form were identified. A sample of the questionnaire is included as appendix D.

From the two comparative analyses and questionnaire results, preliminary recommendations for changes in the survey form, definitions, and instructions are included herein. These recommendations are submitted for review and comment by a NACUBO Technical Review Panel and by selected participants in the pilot test study.

Our findings and recommendations are provided separately for each "part" of the PRETEST Survey form.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Summary of Findings

One of the two primary goals in revising the IPEDS Survey was to utilize the institution's general purpose financial statements for the preparation of the form. The comparative analysis of the 36 institutional survey submissions clearly showed that the total asset, liability, and net asset amounts and the change in net assets, as reported in the general purpose financial statements, agreed with the totals entered in the PRETEST Survey.

However, significant differences occurred in both the amounts and the reporting categories in individual lines because of the prescriptive nature of the PRETEST Survey. The PRETEST Survey is based on the "traditional" asset, liability, revenue, gain, expense, and loss classifications included in NACUBO's *Financial Accounting and Reporting Manual, 1990 (FARM)*. While most private colleges and universities retained many of these "traditional" classifications when adopting FASB Statement No. 117, *Financial Statements of Not-for-Profit Organizations* (SFAS 117), the display flexibility provided by that new standard results in deviations from the *FARM* categories. Thus, while the PRETEST Survey totals agreed with institutional financial statements, differences in individual categories within those totals occurred in virtually all of the institutions included in the pilot test. The most significant problems were in the reporting of the following:

Revenues (Part B)

a. Differences in the reporting of investment return, including investment gains and losses, from the general purpose financial statements.
b. Differences in the recognition and display of scholarship allowances.

Expenses (Part C)

a. Differences from institution to institution in the reporting of operation and maintenance of plant.
b. Differences caused by reporting of depreciation, interest, and certain other expenses by natural classification in the general purpose financial statements (rather than the functional expense categories required in the PRETEST Survey).
c. Some confusion in reporting of losses, adjustments, and similar items, which resulted in similar items being reported in either part B, part C, or part D.

In contrast, there were few problems indicated in the completion of part A. In all cases, totals for assets, liabilities, and net assets agreed with the general purpose financial statements. And in most cases, the line items were easily reconciled between the PRETEST Survey and the general purpose financial statements. There were several significant asset and liability categories that preparers included in "other," which

indicates that some asset and liability category titles should be changed and that a few lines should be added and others deleted.

The second goal of revising the IPEDS Survey was to maintain a link, or "bridge," to the IPEDS database while utilizing the general purpose financial statements as a source of the PRETEST Survey information. The PRETEST Survey, since it is based on the financial statements, gathers data on the entity as a whole. In contrast, the IPEDS Survey requires only information for current funds, which is further broken into current funds unrestricted and current funds restricted. Thus, certain revenues of the entity, which are included in the PRETEST Survey amounts, were never required to be reported in the IPEDS Survey and therefore are not included in the IPEDS database. Similarly, certain expenses of the entity are not included in the database because they were expenses reported in fund groups other than the current funds. To help bridge the databases, the PRETEST Survey required revenues to be reported as operating and nonoperating and required expenses to be reported in a matrix of functional and natural expense classifications.

Differences in recognition of expenses and revenues also complicated the ability to bridge the databases. General purpose financial statements report *expenses*, which are changes in economic assets, while current funds statements report *expenditures*, which are changes in financial assets. Certain *expenses*, primarily depreciation, are reported in the PRETEST Survey but not in the IPEDS Survey. Other *expenditures*, primarily purchases of capital equipment, are reported in the IPEDS Survey but not in the PRETEST Survey. In addition, restricted revenues are recognized *when received* in general purpose financial statements but recognized *when spent* for their restricted purpose in current funds statements. To support the bridging of the databases, the PRETEST Survey also required information about certain natural expense classifications—depreciation and interest—and about current fund expenditures for buildings and equipment. The PRETEST Survey did not request information to build a bridge between the databases for the differences caused by revenue recognition requirements. The information necessary to reconcile those differences, which are primarily ones of timing, was determined to be too complex to gather.

Achieving the second goal, as outlined above, was not as successful as achieving the first. The most significant problems were in the reporting of the following:

a. Differences in definition of operating and nonoperating revenue from that described in the instructions to the PRETEST Survey.
b. Difficulties caused by the requirement in the PRETEST Survey for participants to provide a breakout of functional expenses into certain natural classifications, which requires information that is not required in general purpose financial statements.
c. Difficulties caused by the requirement in the PRETEST Survey for participants to report by function the current fund expenditures for capitalized plant and equipment in the PRETEST Survey, which also requires information that is not required in general purpose financial statements.

Summary of Recommendations

In contemplating revisions to the information in the PRETEST Survey, we considered the following: users' desires for information, items necessary to compute the Department of Education's (ED's) financial responsibility ratios, comparability with information that is required by the proposed requirements for public institutions, pilot test participants' comments, and frequency of completion of the line items on the PRETEST Survey. We used two sources to anticipate ED's final regulations for financial responsibility ratios: (1) the proposed regulations in the September 20, 1996, *Federal Register* and (2) KPMG Peat Marwick's Draft Report to ED, dated May 12, 1997. We used the GASB Exposure Draft, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities,* (the proposed standards), to determine the direction of financial reporting for public institutions. Our recommendations are summarized below. Reasons for the recommendations are discussed in the remainder of the report.

Part A: Statement of Financial Position

A1. Combine:

- Line A01 (cash and cash equivalents) with line A02 (temporary investments)
- All receivables lines (A03-A06, A09) into a single line
- Line A07 (inventories) with line A08 (prepaid expenses and deferred charges)
- Line A22 (unrestricted undesignated) with line A23 (unrestricted designated)

A2. Replace line A26 (restricted) with two lines: one for temporarily restricted net assets and one for permanently restricted net assets

A3. Add new lines for:

- Amounts held by trustee for construction and debt service
- Post-retirement and post-employment obligations

A4. Change the description of:

- Line A18 (long-term debt) to "bonds, notes, and capital leases payable and other long-term debt, including current portion"
- Line A19 (government grants refundable) to "government grants refundable under student loan programs"

A5. Clarify in the instructions that:

- Beneficial interests in trusts should be included in line A10 (long-term investments)
- Annuity, life income, and similar obligations should be included in line A17 (amounts held on behalf of others)

A6. Eliminate Schedule AA about cash and cash equivalents by purpose

A7. Create a new schedule for receivables, with line items for student receivables, contributions receivable, loans receivable, and all other receivables

A8. Create a new schedule of long-term debt that reconciles beginning and ending balances and differentiates between plant and nonplant debt

A9. Add additional detail to Schedule AB (Long-Term Investments) by including lines for cash held temporarily until a suitable investment is determined, for repurchase agreements and similar money market media, and for beneficial interests in trusts

A10. Move the information from part E, question 4 about land, buildings, and equipment to a supplementary schedule in part A, and modify it to include the reconciliation from beginning balance to ending balance that is required by the IPEDS Survey

A11. Require Schedule AC (Other Assets) to be completed only if line A12 (other assets) is more than 3 percent of line A13 (total assets)

A12. Require Schedule AD (Other Liabilities) to be completed only if line A20 (other liabilities) is more than 3 percent of line A21 (total liabilities)

Part B: Reporting Revenues by Source

B1. To clarify the distinction between types of revenues for purposes of bridging the IPEDS and PRETEST databases:

- Explain in the instructions why the distinction is necessary
- Title the nonoperating column "noncurrent" or "Type A" and the operating column "current" or "Type B"
- Provide the instructions for the current/noncurrent (Type A/Type B) distinction on a line item-by-line item basis, rather than at the beginning of the part B instructions

- Describe the types of revenues that are included in the noncurrent (Type A) amount; compute the current (Type B) amount as the difference between that amount and the line item total

- Use shading to indicate that certain line items have no noncurrent component

- The National Center for Education Statistics should re-evaluate, in no less than two years and no more than 10 years, whether gathering the current/noncurrent information is necessary

B2. Modify the investment return section (lines B11-B14) as follows:

- Combine the four lines into a single line titled "investment return"

- Modify the instructions for the new line to include distributions from trusts in which the institution has a beneficial interest

- Make the current/noncurrent distinction based on the institution's spending policy

B3. To increase the reliability and comparability of information about tuition and scholarships:

- Require tuition and fees revenues to be reported as it is in the financial statements

- Add a new schedule that shows scholarship grants and allowances by type and by accounting method (allowance, agency, or revenue and expense)

- Include in the schedule a distinction between allowances for tuition and fees and allowances for auxiliary enterprise operations

B4. Specify in the instructions that interfund and intraorganization charges and credits are excluded from PRETEST revenues, using as examples interdepartmental revenues, indirect costs, and reclassifications from temporarily restricted net assets

B5. Modify the instructions for the following revenue lines to include the specified revenues in addition to those currently described:

- B01 (tuition and fees) to include continuing education and conference and seminar fees

- B15 (sales and services of educational activities) to include the revenues of medical clinics that are not part of a hospital

- B17 (hospital revenues) to include the revenues of medical clinics that are part of a hospital

B6. Require Schedule BC (Other Revenues) to be completed only if line B19 (other revenue not reported above) is more than 3 percent of line B20 (total revenues and gains)

B7. Combine:

- Line B04 (state appropriations) with line B05 (local appropriations)

- Line B07 (state gifts, grants, and contracts) with line B08 (local gifts, grants, and contracts)

Part C: Reporting Expenses by Functional and Natural Classifications

C1. Eliminate lines C12-C16; information that was reported on those lines will be incorporated into part D: Summary of Revenues, Gains, Expenses, and Losses

C2. Eliminate column 8 (current expenditures for buildings and equipment)

C3. Revise the instructions to make it clear that all expenses are to be reported by functional class

C4. Revise the instructions to clarify that scholarship and fellowship awards should be reported using the same accounting policies that are used in the institution's general purpose financial statements

Part D: Summary of Revenues, Gains, Expenses, and Losses

D1. Change the part D title to "Summary of Changes in Net Assets"

D2. Include sections in part D to separately report gains (losses), discontinued operations, extraordinary items, and the cumulative effect of changes in accounting principle

D3. Prescribe that investment gains (losses) be displayed in part B as a component of investment return

D4. Include the net actuarial adjustment for changes in annuity and trust obligations as a separate line in part D

Part E: Supplemental Information

Part E should be deleted in its entirety. To the extent that the supplemental information included in that part is essential, it has been moved to supplemental schedules in other parts of the PRETEST Survey.

If the National Center for Education Statistics decides that the PRETEST Survey should gather all the amounts necessary to compute ED's financial responsibility ratios, the following additional modifications would be made to the PRETEST Survey:

E1. A line for "related party receivables" would be added to the new schedule for receivables, and the instructions should describe these receivables in the same manner as the final regulations for the ratios

E2. A line for "intangible assets (patents, goodwill, logos, trademarks, and franchises)" would be added to the schedule of other assets

E3. A question would be added at the end of the survey to request amounts for "change in unrestricted net assets" and "total unrestricted revenues, gains, and other support, including the reclassification of amounts from temporarily restricted net assets"

Reorganization of the Parts

The revised parts should be re-ordered as follows:

Part A: Revenues and Investment Return
Part B: Expenses by Function
Part C: Summary of Changes in Net Assets (Equity)
Part D: Statement of Financial Position

Draft of the Revised PRETEST Survey

A draft of the revised PRETEST Survey, which incorporates the changes noted above, is presented on the following pages.

PART A - REVENUES AND INVESTMENT RETURN

	Source of Funds	Total (1)	Noncurrent (2)	Current (3)
A01	Tuition and fees *(net of amount reported on line AA07)*	$		$
	GOVERNMENT APPROPRIATIONS			
A02	Federal appropriations			
A03	Through state channels			
A04	State and local appropriations			
	GOVERNMENT GIFTS, GRANTS, AND CONTRACTS			
A05	Federal gifts, grants, and contracts			
A06	State and local gifts, grants, and contracts			
	PRIVATE GIFTS, GRANTS, AND CONTRACTS			
A07	Private gifts, grants, and contracts			
A08	Contributions from affiliated entities			
	OTHER REVENUE AND GAINS			
A09	Investment return (income, gains, & losses)			
A10	Sales and services of educational activities			
A11	Sales and services of auxiliary enterprises *(net of amount reported on line AA08)*			
A12	Hospital revenue *(from AB08)*			
A13	Independent operations revenue			
A14	Other revenue *(Complete Schedule AC if line A14 is more than 3% of A15)*			
A15	Total revenues and investment return	$	$	$

	Student Aid (Schedule AA)	Allowance	Agency	Rev/Exp
AA01	Pell Grants	$	$	$
AA02	Other federal grants			
AA03	State and local grants			
AA04	Institutional grants (funded)			
AA05	Institutional grants (unfunded)			
AA06	Total	$	$	$
AA07	Portion of line AA06 applied to tuition and fees	$		
AA08	Portion of line AA06 applied to auxiliary enterprise revenues	$		

Schedules AB (Hospital Statement of Activity - Revenues by Source) and AC (Other Revenues or Gains Statement of Activity - Revenues by Source) are not illustrated. Except for line numbers, they are the same as Schedules BB and BC in the PRETEST Survey.

PART B - EXPENSES BY FUNCTION

	Item	Total (1)	Salaries and Wages (2)	Benefits (3)	O&M (4)	Depreciation (5)	Interest (6)	All Other (7)
B01	Instruction	$	$		$	$	$	$
B02	Research							
B03	Public service							
B04	Academic support							
B05	Student services							
B06	Institutional support							
B07	Auxiliary enterprises							
B08	Scholarships and fellowships							
B09	Hospital services							
B10	Independent operations							
B11	Operation and maintenance of plant				( )			
B12	Total expenses	$	$		$ 0	$	$	$

PART C - SUMMARY OF CHANGES IN NET ASSETS (EQUITY)

	Item	Amount
C01	Total revenues and investment return *(from part A, line A15, column 1)*	$
C02	Total expenses *(from part B, line B12, column 1)*	( )
C03	Actuarial gain (or loss) on annuity and trust obligations	
C04	Gain (or loss) on sale of plant assets	
C05	Other gain (or loss)	
C06	Discontinued operations	
C07	Extraordinary gain (or loss)	
C08	Cumulative effect of change in accounting principle	
C09	Change in net assets *(Sum C01-C08)*	
C10	Net assets, beginning of the year	
C11	Adjustments to beginning net assets	
C12	Net assets, end of the year *(Sum C09-C11. This amount should equal the amount reported on line D24.)*	$

Note: Remainder of page intentionally left blank

PART D - STATEMENT OF FINANCIAL POSITION

	Assets	**Amount**
D01	Cash, cash equivalents, and temporary investments	$
D02	Receivables (net of allowance for uncollectible amounts *(from DA05)*)	
D03	Inventories, prepaid expenses, and deferred charges	
D04	Amounts held by trustees for construction and debt service	
D05	Long-term investments *(from DB09)*	
D06	Plant, property, and equipment *(from DC07)*	
D07	Other assets *(Complete Schedule DD if D07 is more than 3% of D08)*	
D08	Total *(Sum D01-D07)*	$
	Liabilities	**Amount**
D09	Accounts payable	$
D10	Deferred revenues and refundable advances	
D11	Post-retirement and post-employment obligations	
D12	Other accrued liabilities	
D13	Annuity and life income obligations and other amounts held for the benefit of others	
D14	Bonds, notes, and capital leases payable and other long-term debt, including current portion *(from DE04)*	
D15	Government grants refundable under student loan programs	
D16	Other liabilities *(Complete Schedule DF if D16 is more than 3% of D17)*	
D17	Total *(Sum D09-D16)*	$
	Net Assets	**Amount**
D18	Unrestricted (include both designated and undesignated)	$
D19	Unrestricted—investment in plant, property, and equipment, net of related debt	
D20	Total unrestricted *(Sum D18-D19)*	$
D21	Temporarily restricted	
D22	Permanently restricted	
D23	Total restricted *(Sum D21-D22)*	$
D24	Total net assets *(Sum of D20 and D23)*	$

	Receivables (Schedule DA) *All Amounts Should Be Net of Allowance for Uncollectible Amounts*	**Amount**
DA01	Student receivables	$
DA02	Contributions receivable	
DA03	Loans receivable	
DA04	All other receivables	
DA05	Total *(Sum DA01-DA04; balance to line D02)*	$

	Long-Term Investments (Schedule DB)				Amount
	Mark (X) M=Market value, B=Book value, O=Other	M	B	O	$
DB01	Cash held until appropriate investments are identified				
DB02	Repurchase agreements and other money market media				
DB03	Equity securities				
DB04	Debt securities				
DB05	Real estate held for income production				
DB06	Beneficial interests in trusts				
DB07	Other (to be detailed by the institution)				
DB08					
DB09	Total *(Sum DB01-DB08; balance to line D05)*				$

	Plant, Property, and Equipment (Schedule DC)	Amounts			
		Beginning	Additions	Retirements	Ending
DC01	Land and land improvements				
DC02	Buildings				
DC03	Equipment, including art and library collections				
DC04	Property obtained under capital leases (if not included in equipment)				
DC05	Construction in progress				
DC06	Accumulated depreciation	( )	( )		( )
DC07	Total *(Sum DC01-DC06; balance to line D06)*				

	Other Assets (Schedule DD) *(Complete only if line D06 is greater than 3% of line D07. Itemize.)*	Amount
DD01		$
DD02		
DD03		
DD04		
DD05		
DD06	Total *(Sum DD01-DD05; balance to line D07)*	$

	Long-Term Debt (Schedule DE)	Amounts		
		Plant Related	Other Debt	Total
DE01	Principal balance, beginning of the year			
DE02	Additional borrowing			
DE03	Principal payments made during the year	( )	( )	( )
DE04	Principal balance, end of year *(total to D14)*			

Schedule DF (Other Liabilities) is not illustrated. Except for line numbers and titles, it is the same as Schedule DD for other assets.

PART A: STATEMENT OF FINANCIAL POSITION

The PRETEST Survey requests information about assets, liabilities, and net assets in a 28-item balance sheet (pages 3-4 of the survey). This balance sheet is supplemented by four schedules (AA through AD), which ask institutions for additional information about balances for cash and cash equivalents, long-term investments, other assets, and other liabilities (pages 4-5 of the survey), and information in part E about contributions receivable (E3, and land, buildings, and equipment (E4)). The Bureau of the Census reports that most institutions completed the statement of financial position and that most key items had more than a 90 percent response rate. Some pilot test participants could not provide balance sheet information because they were branch campuses. This problem could be easily solved by adding a checkbox so branch campuses could indicate that parts A and D were not available at that location.

The IPEDS Survey does not require a complete balance sheet. Instead, the IPEDS Survey requests the following information from participating institutions:

- Part G: A reconciliation of indebtedness on physical plant—beginning balance, additional borrowings, payments of principal, ending balance, and total interest payments.
- Part H: Selected information about endowment assets—book and market values at the beginning and end of the fiscal year, endowment yield (dividends, interest, rents, royalties, etc.), endowment yield returned to the endowment fund, and the amount of the transfer from the endowment fund to the current fund.
- Part I: Selected funds balances—current funds, funds functioning as endowment, unexpended plant funds, funds for renewal and replacement, and funds for retirement of plant fund debt. Restricted and unrestricted balances are combined into a single amount for each fund group.
- Part K: A reconciliation of physical plant assets—book value at beginning of year, additions, deductions, book value at end of year, and estimated replacement value. The reconciliation is divided into land, buildings, and equipment, although estimated replacement value of land is not requested.

We do not know the extent to which balance sheet data gathered by the IPEDS Survey are used. *The Digest*, which is produced by the National Center for Education Statistics using the IPEDS Survey data, does not include balance sheet information. However, the information collected by the survey is available to researchers and others who use the database. Among the items requested by users of the IPEDS database at the March 26, 1996, meeting were requests for student accounts receivable separate from other receivables and for information about plant, property, and equipment, including useful lives of property, capitalization thresholds, and plant additions and deductions.

The following balance sheet information would need to be gathered to compute ED's financial responsibility ratios: unrestricted net assets; temporarily restricted net assets; plant, property, and equipment (net); and long-term debt for plant purposes, intangible

assets, unsecured related-party receivables, and post-employment and post-retirement liabilities. (The last item is necessary only if ED adopts certain modifications suggested by KPMG Peat Marwick in the May 1997 report.)

The proposed standards for balance sheets of public institutions have much of the same flexibility of format that is found in FASB 117. The primary difference between the public institution's entitywide "statement of net assets" and the private institution's "statement of financial position" is the equity section. A public institution will report net assets in three components: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets in its entitywide financial statements. In addition, public institutions will report the permanently unexpendable portion of the restricted fund balance in their fund group perspective balance sheets. A private institution reports unrestricted, temporarily restricted, and permanently restricted net assets.

Revisions to Asset Categories

Description of the Problems

We examined the frequency with which line items were used to determine if line items should be deleted or combined. Three asset categories were used infrequently—temporary investments, government appropriations receivable, and accrued investment income receivable. It is likely that assets fitting these descriptions were included in other line items by other institutions.

We examined the items reported in A12 (other assets) to determine if new asset lines should be created or if existing asset line descriptions should be modified. Two items of significant dollar amounts were mentioned by 20 percent or more of pilot test participants as included in the line item "other assets." Those items were beneficial interests in trusts and deposits held by trustees. (Deposits held by trustees may be the same as beneficial interests in trusts or might be construction funds or sinking funds held by trustees under bond agreements.)

A few items included by some institutions in "other assets" were most likely included by other institutions in other line items. For example, work-in-progress, discounts and issuance costs, and land held for lease are commonly occurring items that were reported by only a few institutions in "other assets."

Two asset items mentioned by users at the March 1996 meeting were not required in the PRETEST Survey—student receivables and the reconciliation of plant, property, and equipment. The latter item is required by the IPEDS Survey.

The Bureau of the Census reports that some institutions said that redundant or unnecessary asset information was required. The most commonly mentioned items were:

- Contributions receivable (A06) and supplementary information about when contributions were due (part E, items E3a, b, and c)

- Land, buildings, and equipment (A11) and supplementary information about the types of assets included in this line item, accumulated depreciation, and annual depreciation (part E, items E4b, c, and d)

Schedule AA (Cash and Cash Equivalents) was completed by almost all institutions and the total of the schedule agreed to the amount reported on line A01. However, the detailed line items were completed incorrectly by some pilot test participants. The two most common errors were (1) including endowment fund cash strategically invested in short-term instruments as cash rather than long-term investments and (2) including all (or most) cash as operating cash rather than dividing cash into all its components (loan, endowment, plant, operating, other).

Purpose of Gathering the Information

Certain asset information, especially information about plant, property, and equipment, is necessary for interpreting differences in the cost of education. (The cost of education is possibly the most significant statistic computed using the IPEDS data.) Other asset information, such as cash and investments, is helpful in determining the short- and long-term support that an institution requires from the state, federal government, or donors. Although perhaps these users' needs could be met without a complete asset section of a balance sheet, additional reliability of the data is achieved if the survey requests information that agrees to total assets in the general purpose financial statements.

ED's financial responsibility ratios require amounts for plant, property, and equipment (total net of depreciation), intangible assets, and unsecured related party receivables. The first item is necessary to compute net investment in plant, which is already required by the PRETEST Survey on line A24. Thus, that amount would not have to be reported if it were not important for other purposes. The latter two items, intangible assets and unsecured related party receivables, are not included in the PRETEST Survey.

Implications

Since only limited information about assets has been gathered in the past (consequently, only limited information about assets has been available to users of the database), it is probably wise to avoid a lot of detailed information at this time. Additional detail can be added as users' needs for that information evolve. Currently, users expect only a limited amount of data to be provided, and some institutions view the new balance sheet items as burdensome or unnecessary.

Gathering aggregated survey information is advisable. Generally, it is easier for institutions to provide information that is more aggregated than their general purpose financial statements than it is for them to provide information that is more detailed. In addition, aggregation sometimes can result in information that is more comparable from institution to institution. For example, combining cash, cash equivalents, and temporary investments into a single line item can alleviate differences that are caused by institutions defining cash equivalents in differing ways. Unfortunately, greater aggregation brings

with it the risk that some institutions will put more items in "other assets," presumably because there are more items in the asset section of their general purpose financial statements than there are lines in the PRETEST Survey.

Suggested Alternatives

1. Only require the limited balance sheet information that was required in the IPEDS form, and abandon the inclusion of a complete balance sheet.
2. Eliminate line items that do not appear to be frequently used, combine line items that have similar characteristics, and add supporting schedules for information that was required in the IPEDS Survey that was not included in the PRETEST Survey.

Recommendation

We suggest alternative 2. One of the initial goals of the IPEDS revision was to utilize the general purpose financial statements for the preparation of the form. We see no reason to abandon that goal because the balance sheet information was generally well reported. We recommend that the following asset section be included in the revised PRETEST Survey:

	Assets	**Amount**
A01	Cash, cash equivalents, and temporary investments	$
A02	Receivables (net of allowance for uncollectible amounts *(from AA05)*	
A03	Inventories, prepaid expenses, and deferred charges	
A04	Amounts held by trustees for construction and debt service	
A05	Long-term investments *(from AB09)*	
A06	Plant, property, and equipment *(from AC07)*	
A07	Other assets *(from AD06)*	
A08	Total *(Sum A01-A07)*	$

(Note: The instructions for line A03 should indicate that bond issuance costs are included on this line.)

The following additional information about the items in italics would be required in supplemental schedules.

	Receivables, All Amounts Net of Allowance for Uncollectible Amounts	**Amount**
AA01	Student receivables	$
AA02	Contributions receivable	
AA03	Loans receivable	
AA04	All other receivables	
AA05	Total *(Sum AA01-AA04; balance to line A02)*	$

	Long-Term Investments				**Amount**
	Mark (X) M=Market value, B=Book value, O=Other	M	B	O	$
AB01	Cash held until appropriate investments are identified				
AB02	Repurchase agreements and other money market media				
AB03	Equity securities				
AB04	Debt securities				
AB05	Real estate held for income production				
AB06	Beneficial interests in trusts				
AB07	Other (to be detailed by the institution)				
AB08					
AB09	Total *(Sum AB01-AB06; balance to line A05)*				$

	Plant, Property, and Equipment	**Amounts**			
		Beginning	Additions	Retirements	Ending
AC01	Land and land improvements				
AC02	Buildings				
AC03	Equipment, including art and library collections				
AC04	Property obtained under capital leases (if not included in equipment)				
AC05	Construction in progress				
AC06	Less accumulated depreciation	( )	( )		( )
AC07	Total *(Sum AC01-AC06; balance to line A06)*				

(Note: The plant, property, and equipment schedule is similar to the one in the IPEDS Survey and to the one in the proposed standards for public institutions.)

	Other Assets	**Amount**
AD01	Other (to be detailed by the institution)	$
AD02		
AD03		
AD04		
AD05		
AD06	Total *(Sum AD01-AD05; balance to line A07)*	$

To reduce the overall burden of preparing the PRETEST Survey, Schedule AD should only be completed if "other assets" (A07) is more than 3 percent of "total assets" (A08).

We considered and rejected including a line item for related party receivables in Schedule AA and one for intangible assets in Schedule AD. It would be necessary to gather those amounts if the PRETEST Survey was to gather all the amounts necessary to compute

ED's financial responsibility ratios. Those items, however, are important primarily in computing the ratios of proprietary institutions, and inclusion of line items for all institutions could be confusing and/or burdensome. This is especially true of related party receivables because the term itself has several meanings in accounting and regulatory literature.

Schedule AA (Cash and Cash Equivalents) was deleted in its entirety for three reasons. First, it was improperly completed by several pilot test participants, so its value as research data is questionable. Second, it is information available only to institutions that use fund accounting as a basis for their statements—a practice common now but one that may diminish in the future. Finally, the amount of "cash" in a fund group is somewhat meaningless without knowing the corresponding due to/from account balances, since most institutions use a common bank account rather than a bank account for each fund group.

Revisions to Liability Categories

Description of the Problems

We examined the frequency with which line items were used to determine if line items should be deleted or combined. All liability lines were used frequently, thus, it does not appear necessary to combine line items in this section.

We examined the items reported in A20 (other liabilities) to determine if new liability lines should be created or if existing liability line descriptions should be modified. One item of significant dollar amount was mentioned by 20 percent or more of pilot test participants as included in that line item. That item, post-retirement and post-employment benefits, was most likely reported by other institutions in another line. The post-retirement and post-employment benefit amount is necessary for computing ED's financial responsibility ratios and is not separately reported in the PRETEST Survey. Additionally, one user at the March 1996 meeting requested that this amount be separately reported.

A few items included by some institutions in "other liabilities" were most likely included by other institutions in other line items. For example, annuities payable, capital lease obligations, and notes and bonds payable are commonly occurring items that were reported by only a few institutions in "other liabilities."

The reconciliation of indebtedness on physical plant, which appears in the IPEDS Survey, is not requested in the PRETEST Survey.

Purpose of Gathering the Information

Liability information, especially information about accounts payable and debt service requirements, is helpful in determining the short- and long-term support that an institution requires from the state, federal government, or donors. Although perhaps

these users' needs could be met without a complete liability section of a balance sheet, additional reliability of the data is achieved if the survey requests information that agrees to total liabilities in the general purpose financial statements.

The total long-term debt (defined as notes payable, bonds payable, and leases payable) amount is necessary for computing ED's viability ratio. KPMG's May 1997 report recommends that the viability ratio be replaced by an equity ratio (equity/total assets). If ED adopts that recommendation, total long-term debt will not be necessary for ED's purposes, although it remains an important amount for other reasons.

Implications

Similar to the asset information, only limited information about liabilities has been gathered in the past, and thus, as with assets, limiting the amount of information required is advisable. In general, the same risks and rewards of greater aggregation exist with liabilities as with assets.

Suggested Alternatives

1. Only require the limited balance sheet information that was required in the IPEDS form, and abandon the inclusion of a complete balance sheet.
2. Eliminate line items that do not appear to be frequently used, combine line items that have similar characteristics, and add supporting schedules for information that was required in the IPEDS Survey that was not included in the PRETEST Survey.

Recommendation

We recommend alternative 2. As mentioned earlier, we see no reason to abandon the objective of requiring a complete balance sheet. However, we suggest that the titles of certain line items be changed to clarify the amounts that we want included on those lines. We suggest the following liability section be included in the revised PRETEST Survey:

	Liabilities	**Amount**
A09	Accounts payable	$
A10	Deferred revenues and refundable advances	
A11	Post-retirement and post-employment obligations	
A12	Other accrued liabilities	
A13	Annuity and life income obligations and other amounts held for the benefit of others	
A14	Bonds, notes, and capital leases payable and other long-term debt, including current portion *(from AE04)*	
A15	Government grants refundable under student loan programs	
A16	Other liabilities *(from AF which is not illustrated)*	
A17	Total *(Sum A09-A16)*	$

A schedule of other liabilities (Schedule AF) would be required in a format similar to Schedule AD for other assets. To reduce the overall burden of preparing the PRETEST Survey, that schedule should only be completed if other liabilities (A16) is more than 3 percent of total liabilities (A17). The following additional information would be required in Schedule AE for long-term debt:

	Long-Term Debt	**Amounts**		
		Plant Related	Other Debt	Total
AE01	Principal balance, beginning of the year			
AE02	Additional borrowing			
AE03	Principal payments made during the year	( )	( )	( )
AE04	Principal balance, end of year *(total to A14)*			

The long-term debt schedule replaces the indebtedness on the physical plant schedule in the IPEDS Survey. Borrowing for long-term purposes other than plant expansion is a relatively recent occurrence that should be anticipated and accommodated in the PRETEST Survey. The information found in the long-term debt schedule can be found in the cash flow statement required of private institutions in their general purpose financial statements; therefore the information should be readily available. Additionally, the proposed standards for public institutions will require a reconciling schedule of long-term debt, so similar information will be readily available for public institutions.

Long-term debt *for plant purposes* is part of the ED ratio calculation. The column for plant-related debt is added to Schedule AE primarily for that purpose. It is not necessary for PRETEST Survey purposes unless it is desired to bridge to the IPEDS Survey schedule. Because the long-term debt for plant purposes amount is used in the ED ratio to compute the net investment in plant, property, and equipment—an amount already separately reported in PRETEST on line A24—the distinction between plant-related and other debt could be deleted from Schedule AE.

Revisions to Net Asset Categories

Description of the Problems

Most institutions reported unrestricted net assets in the three categories requested in PRETEST—unrestricted undesignated, unrestricted designated, and unrestricted net investment in plant—even though many did not report those categories in their general purpose financial statements. Most pilot test participants said that the information was readily available, although some questioned its relevance. A significant minority (about 25 percent) did not report an amount for unrestricted designated.

The Bureau of the Census reports that many institutions were confused by the requirement to report a single amount for restricted net assets because two amounts (temporarily and permanently restricted) appeared in their general purpose financial statements. Other institutions said that redundant or unnecessary net asset information

was required by part E, item E5, which requires disclosure of amounts temporarily or permanently restricted for operating, building, long-term investment, annuity, and other purposes, and some institutions indicated that that schedule was confusing.

Purpose of Gathering the Information

In general, gathering information about net assets provides information about the amount of resources available for use by the institution and limitations (internal, external, and intrinsic) on the net assets' uses. The net asset information is important for determining financial condition and is necessary for two of the three ED financial responsibility ratios. This information replaces the fund balances information that was gathered in part I of the IPEDS Survey.

Implications

Comparability must be considered in determining how to report net assets because the proposed standards for public institutions require net assets at the entitywide perspective to be reported in three categories that differ from the three categories used by private institutions. Public institutions would report unrestricted net assets in two categories—unrestricted and invested in capital assets, net of related debt—and restricted net assets in a single category.

A degree of comparability is possible. PRETEST line A24 (unrestricted-net investment in plant, property, and equipment) is computed the same way as the category *invested in capital assets, net of related debt* of public institutions, provided that a private institution exercises the option to report the expiration of restrictions on gifts to purchase plant assets at the time the asset is placed in service. Further, permanently restricted net assets of private institutions are generally comparable to the permanently nonexpendable portion of fund balances that must be reported by public institutions at the fund-group perspective. Both public and private institutions are required to provide information about the nature and amounts for different types of restrictions.

Suggested Alternatives

1. Request minimum net asset information in the same manner as required to appear on the face of the balance sheet; that is, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.
2. Request net asset information in the following categories: unrestricted–net investment in plant, property, and equipment, other unrestricted, temporarily restricted, and permanently restricted; and eliminate the supplementary schedule of restrictions by purpose.
3. Make no changes to the net asset information requested by the PRETEST Survey.

Recommendation

We recommend alternative 2. We suggest combining unrestricted-undesignated with unrestricted-designated because both categories of net assets are available for expenditure

at the discretion of management, even though some internal policy changes might be necessary to expend the designated amounts. The category unrestricted net investment in plant would be retained for use in computing the ED ratios (unless Schedule AE is used for that purpose). The single line (A26) for restricted net assets would be replaced by two line items—temporarily restricted net assets and permanently restricted net assets—to eliminate the confusion noted by the Bureau of the Census. We favor eliminating the supplementary schedule for net assets by type of restriction in the interest of reducing the overall burden of preparing the PRETEST Survey. Although knowing the purposes for which net assets are restricted is important information, we believe that it is generally more important when analyzing a particular institution rather than when analyzing aggregated information.

We recommend the following net asset section be included in the revised PRETEST Survey:

	Net Assets	**Amount**
A18	Unrestricted (include both designated and undesignated)	$
A19.	Unrestricted—investment in plant, property, and equipment, net of related debt	
A20	Total unrestricted (*Sum A18-A19*)	$
A21	Temporarily restricted	
A22	Permanently restricted	
A23	Total restricted (*Sum A21-A22*)	$
A24	Total net assets (*Sum of A20 and A23*)	$

PART B: REPORTING REVENUES BY SOURCE

The PRETEST Survey requests information about revenues for the entity as a whole in a 20-item section (pages 5-6 of the survey), which is further broken into operating and nonoperating components. This section is supplemented by three schedules (BA through BC), which ask institutions for additional information about tuition and fees, hospital revenues, and other revenues and gains. The Bureau of the Census reports that about 70 percent of institutions provided a full response on this part of the survey, although partial responses could be due to the fact that some institutions may not have a particular revenue type.

The IPEDS Survey requires almost the same line items for revenues as the PRETEST Survey. An additional revenue source was added to PRETEST to report "contributions from affiliated entities" and a section on investment return replaces "endowment income."

In contrast to the entity information required by the PRETEST Survey, the IPEDS Survey requires only information for current funds, which is further broken into current funds unrestricted and current funds restricted. The revenues and additions of loan funds, plant

funds, annuity and life income funds, and endowment funds (other than amounts transferred to or reported in current funds) were not reported in IPEDS. The change to requiring information for the entity as a whole presents both a significant advantage and a significant disadvantage. The advantage is that entity information is readily available and more reliable because it is found in the audited general purpose financial statements. The disadvantage is that the database cannot easily be used for trend analysis if the analysis crosses from years of PRETEST information into earlier years of IPEDS data.

Thus, when considering changes to the revenue information in the PRETEST Survey, we considered the need to build a "bridge" to the IPEDS database, as well as users' desires for information, items necessary to compute ED's financial responsibility ratios, comparability with information that is required by the proposed requirements for public institutions, pilot test participants' comments, and frequency of completion of the line items on the PRETEST Survey.

In order to create a bridge to the IPEDS database, the PRETEST Survey asked institutions to divide the revenue items into operating and nonoperating components. The instructions to the PRETEST Survey required that amounts be reported as nonoperating if they were restricted by donors for endowment, building, or loan purposes either permanently or for a period of time. The instruction was intended to define nonoperating revenues as the revenues that would have been reported in fund groups other than current funds. The definition did not use the term "current funds," as the meaning of that term could become unclear in the future (because reporting current funds information is no longer required in general purpose financial statements).

Revenue information is widely used by those who use the IPEDS database and the reports generated from it. *The Digest* contains many revenue reports based on the IPEDS data. Examples are:

1. Current fund revenue of institutions by source of funds and by control (public or private) and type of institution (research I, research II, doctoral, and so forth)
2. Current fund revenues, by state: 1980/81 to date
3. Current fund revenues, by source of funds and state, current year
4. Current fund revenues, by source of funds and state, prior year
5. Current fund revenue from state and local government, by state: 1985/86 to date
6. Current fund revenue from the federal government, the 120 institutions receiving largest amounts

Users' needs for revenue data appear to be met relatively well; most users at the March 1996 meeting did not request additional revenue data. The exception was one user who wanted tuition and fees broken into graduate and undergraduate components.

The only revenue amount necessary for computing ED's financial responsibility ratios is "total revenues." Total revenues are defined as unrestricted revenues, gains, and other support (including net assets released from restrictions) and would include both operating and nonoperating amounts.

The proposed standards for public institutions require revenues to be reported by source for the entity as a whole in the entitywide perspective. Unlike standards for private institutions, the nature of restrictions on revenues is not reported. Instead, the fund group perspective reports revenues by source and fund group, in a manner similar to the way in which they are currently reported using the AICPA Audit Guide model. Thus, unrestricted and restricted revenues can be combined in the financial statements of public institutions.

One significant difference between the Audit Guide model and the proposed standards for public institutions is that investment return (income, appreciation, and depreciation) on endowment investments will be reported in the endowment fund, and the amount authorized by the governing board for expenditure is transferred to the fund group that has a purpose consistent with the donor's restriction (if any). Thus, amounts currently reported as endowment revenues will become transfers. At the entitywide perspective, however, the amounts will be reported as investment income (which includes net realized and unrealized gains and losses).

To have comparable revenue information for private institutions and public institutions, the PRETEST Survey would have to require either revenues for the entity or for current funds only. The former course is preferred because entity information is available in the audited general purpose financial statements of both types of institutions. Current funds information would be available only in the audited financial statements of public institutions. Eventually, entity information would replace current funds information in the database.

The problems encountered in gathering revenue information on the PRETEST Survey can be summarized into four areas:
1. reporting operating and nonoperating revenues and gains
2. reporting investment return
3. recognition and reporting of scholarship grants and allowances
4. other revenue and gain considerations

Reporting Operating and Nonoperating Revenues and Gains

Description of the Problem

The instructions for completing the operating and nonoperating columns of the revenue section were not written well enough to accomplish their objective of distinguishing IPEDS-type revenues and gains (that is, current funds) from other revenues. Participants used different operating definitions in completing the columns. A few put all amounts in operating. Some classified only permanently restricted changes as nonoperating. Others classified all temporarily restricted and permanently restricted items as nonoperating. Some, who had operating measures in the their financial statements, used the institution's

definition of operations. And for others, we were unable to determine how they defined operations. About 20 percent used an operating/nonoperating distinction similar to the instructions. The manner in which the PRETEST nonoperating section was completed makes it unreliable as a bridge to the IPEDS database.

Purpose of Gathering the Information

As mentioned above, the primary purpose for the operating/nonoperating distinction is to build a bridge to the IPEDS database. Secondarily, the operating/nonoperating distinction indicates that certain amounts, either because of restrictions or internal policies, are not available to support the institution currently.

Implications

If able to be properly described, the operating/nonoperating distinction would be an important link to the IPEDS database amounts for current funds revenues. The trick, of course, is defining the distinction to get the necessary information. The terms operating and nonoperating cannot be used; they have other meanings that can interfere with obtaining the appropriate information. Many other terms have similar "baggage"—for example, program/support, expendable/nonexpendable, budget/nonbudget, and available/unavailable.

We could abandon the attempt to have institutions provide the information necessary to bridge the IPEDS Survey and the PRETEST Survey. If that were done, an alternative method of bridging would have to be developed so that the database remains relevant. One possible alternative would be to create an algorithm for each revenue source using information from selected institutions. For example, the data from selected institutions might suggest that IPEDS tuition and fees is equal to PRETEST tuition and fees times 1.25.

Bridge information is, by its nature, of transitory importance. Once data have been collected for a number of years, negotiating the "bump" in trend analyses that crosses the IPEDS/PRETEST line will be less important simply because fewer of those analyses will be done.

A decision about how the operating/nonoperating data should be gathered also depends on whether, in addition to building the bridge, the information should be useful in analyzing the portion of revenues, gains, and other support that is available for operating the institution. If the information is also to be important in analyzing the amounts available for operating the institution, a common definition of operations must be developed. The reporting standards for private institutions do not provide a definition, nor do the proposed standards for public institutions. NACUBO has not developed a definition, although there is precedence for industries to do so. (The hospital and symphony subsectors of the not-for-profit sector have developed definitions.) We believe it is inappropriate for the National Center for Education Statistics or the Bureau of the Census to develop that definition alone. NACUBO, other industry representatives, and

users of college and university financial information should reach a consensus about what the definition should be. We do not think that is possible within the time frame of the PRETEST project.

Thus, in making recommendations for revising the PRETEST Survey, we have focused primarily on bridging to the IPEDS database. We suggest that, if an operating/nonoperating distinction of the second type is desired in the PRETEST database, it should be developed at a later date by consensus as described above, and it should be developed for both revenues and expenses.

Suggested Alternatives

1. Abandon the attempt to build the bridge using columns to be completed on the PRETEST Survey. Find an alternative method, such as using algorithms.
2. Use a much more generic term for the column headings, and define—by line item in the instructions—what amounts are to go into each column. At the top of the columns, refer institutions to the instructions for each line item.

Recommendation

We find it difficult to make a recommendation for this problem, especially because we have no ability to determine whether the first alternative would result in a bridge that is reliable enough for researchers' purposes. We are concerned about how to select an appropriate sample of institutions for building the algorithms, whether separate algorithms are necessary for each type of institution (research I, research II, doctoral, and so forth), and whether the algorithms can be developed in a timely manner.

Thus, in part by default, we recommend that we get the bridge data from the PRETEST Surveys. We suggest the following changes be made to enhance the reliability of the data for that purpose:

- At the beginning of the revenue section, explain why the distinction is made between the two categories of revenue (that is, to build the bridge to the IPEDS database). Often the same person who prepared the IPEDS Survey will complete the PRETEST Survey, and that person can use his or her familiarity with the two surveys to understand what information is required for bridging purposes.
- Title the two columns using terms that will force the institutions to refer to the instructions to determine how to complete the columns, and put a note referring to the instructions at the top of the columns. Possible titles for the columns could be central/other, current/noncurrent (even though this term has "baggage," it is baggage consistent with the objective), bridge/other, or even Type A and Type B. We admit that using terms without an intrinsic meaning can be frustrating to people preparing the survey because they must refer to the instructions, but that is what we are trying to accomplish. (Note: For purposes of this report, we will continue to use operating/nonoperating to refer to these distinctions.)

Use shading to guide preparers and to minimize the number of times they must refer to the instructions. For example, tuition and fees generally has no nonoperating component, so the nonoperating box in the tuition row of the nonoperating column would be shaded. The same is probably true for educational activities, auxiliary enterprises, and independent operations.

- Provide instructions that describe, on a line-by-line basis for each unshaded box, the information that should be provided. The instructions should describe the types of revenues that are included in the nonoperating amount and indicate that the operating amount is computed as the difference between that amount and the line total. For example, private gifts, grants, and contracts require institutions to "report gifts, grants and contracts in the nonoperating column if they are restricted to acquisition of plant, property, and equipment, are to be used permanently as loan funds or endowment funds, or are unavailable until a specified future date (term endowment, annuity trusts, and life income funds). Report all other gifts in the operating column."

We recommend that at a later date, no earlier than two years out and no later than 10 years out, the National Center for Education Statistics re-evaluates whether the bridge data need to be gathered.

Reporting Investment Return

Description of the Problems

The PRETEST Survey required investment return to be reported on four lines (income from long-term investments, net realized/unrealized gains/losses on investments, net unrealized gains/losses on investments, and other investment income), each of which was further divided into operating and nonoperating portions (lines B11-B14). This information was supplemented by a schedule in part E (lines 6a-6c), which required investment return to be divided into the three categories required by FASB Statement No. 124 (investment income, net realized gains and losses on assets reported other than at fair value, and net gains and losses on investment assets reported at fair value).

These four line items requested distinctions to be made in the PRETEST Survey that generally were not reported in the statement of activities, and often were not reported in the notes either. However, the total of the four line items usually agreed with the total of amounts reported in the general purpose financial statements, and most pilot test participants said that they were able to provide the information necessary to complete the four lines.

The differences between the PRETEST Survey and the financial statements were caused by one or more of the following:

1. Pilot test participants used a spending policy to report investment return as endowment income and excess of investment return in their statement of activities. Thus, the amounts in that statement were portions of total investment return, rather than the components (income, realized, unrealized) of investment return. Information about the

components was reported in the notes, although not always in a manner that facilitated completion of items B11-B14.

2. Pilot test participants did not report net realized gains (losses) separate from net unrealized gains (losses) in their general purpose financial statements, and they did not make that distinction when completing lines B12 and B13.
3. Pilot test participants did not report an amount on B14 because they do not distinguish investment income from excess cash positions from investment income on long-term investments in their statement of activities. About half of the pilot test participants indicated that they do not make distinctions between these two sources of investment income. Even fewer thought that such a distinction is one that should be made in PRETEST data.
4. Pilot test participants included interest on student loans in other income rather than in investment income.

As noted in the previous section of this report, the instructions to the PRETEST Survey, if followed as written, will not result in an operating/nonoperating distinction that is appropriate for bridging the IPEDS and PRETEST databases. Those instructions required that investment return amounts be reported as nonoperating if they were restricted by donors for endowment, building, or loan purposes either permanently or for a period of time. They overlooked an item that causes a significant difference between the IPEDS Survey and the PRETEST operating amounts. Net gains (losses) retained in the endowment fund would not have been reported in IPEDS but would be included in operating amounts of the PRETEST Survey if the instructions were followed.

Most institutions, however, provided the information we wanted, rather than the information we requested. Most pilot test participants reported operating amounts using their spending policies, and they reported the excess investment return as nonoperating. That operating distinction approximates the IPEDS amount. (Potential differences arise when the spending policy results in an amount that exceeds the current year's investment income.)

Purpose of Gathering the Information

Investment return is significant in determining the amount of support an institution requires. Some institutions have a large endowment fund and are self-supporting for a significant portion of their operations. Other institutions are more dependent on tuition, gifts, and grants and thus have a smaller margin against adversity if those sources cannot grow at the same pace as expenses.

Investment return, especially the net gain or loss portion, can fluctuate dramatically from period to period with the whims of the financial markets. Thus, when doing trend analyses of total revenues and gains, the investment return portion explains a significant part of the volatility. For operating budget purposes, most institutions remove the volatility (and only depend on a portion of investment return) using one of two methods: they use a spending rate or they spend only investment income.

Implications

Institutions report investment return in their general purpose financial statements in many different ways. That makes the goal of drawing the PRETEST Survey data from those financial statements or from their notes more difficult to achieve. Requiring total investment return as a single line item, rather than as four line items, can make it easier to complete the survey. Institutions will add amounts that appear in their financial statements rather than looking for more detailed information in their general ledger.

The goal of bridging the investment return amount in PRETEST to amounts reported in IPEDS is also difficult to achieve. Using the spending policy to distinguish the operating (IPEDS) amount from the nonoperating amount generally results in a good approximation of endowment income (line A10 in IPEDS). However, IPEDS also included some investment return in line A14 (the amount is identified in question C8), which is probably interest, dividends, and gains and losses on the institution's short-term working cash pools, demand deposit accounts, and similar current investment vehicles. Institutions, however, have different internal policies on how investment return on excess cash is allocated (for example, some may be allocated to plant funds or loan funds). Those differences make it difficult to describe the portion we need for bridging purposes.

We also need to consider whether the operating/nonoperating distinction for investment return should serve a second purpose. In addition to bridging the databases, should the nonoperating amount also signal that an institution cannot utilize all investment return to support operations? In managing the portfolio, some portion must be retained to protect against market downturns. Or would indicating that some portion of investment return is unavailable put a "spin" on the data (which should not be allowed because data should be neutral)? These questions can remain unanswered for now because the distinction that institutions would probably like to make—that investment return in excess of the spending policy is unavailable—serves the transitory bridge purpose. However, these questions should be addressed if the National Center for Education Statistics later decides that gathering the bridge data is no longer necessary. As noted earlier, the center should make decisions about operating/nonoperating decisions with the assistance of NACUBO, other industry representatives, and users of college and university financial information.

Private institutions are not required to report net realized gains (losses) separate from unrealized gains (losses) in their financial statements, and a requirement to distinguish those amounts in PRETEST may be unnecessary. In the PRETEST Survey, separate lines for net realized gains (losses) and net unrealized gains (losses) were included because some institutions reported their investments at cost and others reported them at market. Recent changes in financial reporting standards for both private and public institutions require most investments to be reported at market values.

Although institutions generally have the records to provide realized amounts separately from unrealized amounts, it is unclear whether the distinction is necessary or meaningful

to users of the database. Some, including the authors of this report, believe distinctions between realized and unrealized amounts are largely artificial. In today's marketplace, the difference between a realized amount and an unrealized amount is often a telephone call. In addition, a realized gain creates an unrealized decrease (loss) whenever an investment that is reported at fair value is held for a period that crosses fiscal years. The resulting amounts probably have no value to users of the database.

Comparability with public institutions should also be considered in determining how to report investment return. Public institutions are permitted to report investment return as a single amount, or they may show its components. But they are prohibited from reporting realized gains and losses separately from unrealized gains and losses in their financial statements. Although public institutions may have records that allow them to provide information about realized gains (losses) separately from unrealized gains (losses), those amounts will not be found in their financial statements.

Suggested Alternatives

1. Report investment return on a single line, and make an operating/nonoperating distinction based on the institution's spending policy. Eliminate the information in part E.
2. Report investment return on a single line, and make a operating/nonoperating distinction based on the institution's spending policy. Eliminate the information in part E, and replace it with a schedule that reports the components of investment return (long-term investment income, net gains and losses, short-term investment income).
3. Make no changes to the investment return information requested by PRETEST except to fix the instructions to indicate that the institution's spending policy should be used to make the operating/nonoperating distinction.

Recommendation

We recommend alternative 1. We believe that that information will be easy for institutions to provide using their general purpose financial statements and will satisfy the needs of most users of the database, since it provides them with the portion allocated for spending (which we believe was the purpose of part H, lines 03-05 and part C, lines 8b-8c in IPEDS) as well as the total investment return.

We would remove the supplementary schedule in part E, lines 6a-6c. The Bureau of the Census reports that some institutions believe that information to be redundant or questioned why the same amount—investment return—had to be reported using two different breakdowns. The schedule, which is based on the requirements of FASB 124, could be a burden for public institutions to prepare because they have no similar requirement. Further, we are uncertain how, or if, the information will be used.

We considered, and rejected, replacing the supplementary schedule with a schedule that reports the components of investment return reported in PRETEST lines B11-B14 (long-term investment income, long-term investment net gains and losses, short-term

investment return). Distinguishing investment income from gains (losses) is required of private institutions by FASB 124, but that requirement does not include a long-term/short-term distinction. Although almost all institutions said that internal records provide the necessary information, only about half of the pilot test participants make that distinction in their financial statements. Further, public institutions are not required to report income separate from gains (losses), and they might also need to use internal records to provide that information. Because the information might not come directly from financial statements and because we believe that the spending amount/excess distinction is more important to the users of the database than the components of return, we favor eliminating the investment-return-component information entirely in the interest of reducing the overall burden of completing the PRETEST Survey.

Recognition and Reporting of Scholarship Grants and Allowances

Description of the Problems

The PRETEST Survey required "tuition and fees" (B01) to be reported "net of Pell Grants, other federal grants such as SEOG, state grants, private grants, and institutional grants (donor funded and unfunded)." A supplementary schedule (Schedule BA) was included to help institutions arrive at the net tuition and fee figure to be reported. The amount on line B01 was intended to be the actual amount of tuition and fees paid or due from external parties (students, parents, etc.).

The PRETEST Survey was designed to accommodate the varying methods that institutions use to account for scholarship grants and allowances. As a result, the instructions were confusing to some institutions (instructions for lines B01 and B06). Additionally, because some institutions accounted for institutional scholarships in their general purpose financial statements as revenues and expenses, and PRETEST required that they be reported as an allowance, the amounts that institutions entered on line B01 did not agree to their financial statements. Most of these institutions reported these institutional scholarships as required (that is, as allowances), but about one-sixth ignored the instructions and reported amounts as reported in their financial statements.

The problem of reporting amounts that differ from the financial statements should disappear when institutions adopt the AICPA Audit Guide requirement to report revenues net of discounts (paragraph 13.07). Institutions are required to adopt the provisions of the guide for their 1997 fiscal year. Most pilot test participants reported or intend to report institutional scholarships as allowances in 1997. However, some differences between institutions' reporting may continue to exist because some may not adopt NACUBO's interpretation of the Audit Guide requirement. For example, some pilot test participants reported funded scholarships (endowed or gift) as revenues and expenses.

The problem of designing a form that accommodates the differing methods institutions use to account for scholarship grants will continue, and PRETEST will have to accommodate those differences without being too confusing. We questioned pilot test

participants about how they report the various aid programs in their general purpose financial statements.

Pilot test participants were asked to indicate if scholarship programs were accounted for as agency, allowance, or revenue and expense. "Agency" means that the institution eliminates the grant revenue and scholarship expense before preparing their financial statements. "Allowance" means that the institution displays the scholarship amount as a deduction from tuition. "Revenue/Expense" means that the institution reports grant revenue, tuition revenue, and scholarship expense for this aid in their financial statements. "Mix" means that the institution has some programs within the category accounted for using one method, others using another method.

The results, based on a limited sample, show the following methods of accounting for the aid. (The results do not total to 100 percent because some institutions do not have a particular type of aid.):

	Percentage of Institutions			
	Agency	Allowance	Rev/Exp	Mix
a. Pell Grants	76	0	18	0
b. Other federal financial aid grants	18	12	47	23
c. State government financial aid grants	23	12	35	23
d. Local government financial aid grants	12	0	18	0

A final problem with the PRETEST Survey is that it did not provide for scholarship allowances to be shown as a deduction to auxiliary enterprise revenues, such as dormitories. About a third of pilot test participants said that they provide that type of institutional aid.

Purpose of Gathering the Information

The primary reason to gather information about scholarship grants and allowances is the users' interest in the data. The IPEDS Survey includes a schedule of scholarship *expenditures* in section I, part E. Because the IPEDS Survey reports current fund restricted revenues equal to expenditures, the revenue and expenditure information should be similar.

In addition, the scholarship grant and allowance information is necessary for building the bridge to the IPEDS database. Most scholarship dollars are reported as expenditures in the IPEDS Survey. Because of the changing accounting standards, most scholarship dollars of private institutions will be reported as allowances or as agency transactions in the financial statements.

Implications

Comparability with public institutions is a consideration when determining the method of reporting scholarship grants and allowances in the PRETEST Survey. Although the proposed standards require that tuition revenue be reported net of scholarship allowances,

those standards would be effective, at the earliest, for the 2001 fiscal year. Under current standards for public institutions, scholarship allowances must be reported as revenues and expenditures. Thus, there will be a significant period during which that aid will be accounted for differently in general purpose financial statements. Additionally, public institutions are required to report funded grant programs as revenues and expenditures, and that reporting is likely to continue.

Suggested Alternatives

1. Make no changes to the scholarship grants and allowances information requested by PRETEST except to accommodate deductions to auxiliary enterprise revenues and to clarify how to report aid in the survey for each method of financial statement reporting. Use—and explain—the terms agency, allowance, and revenues/expenditure methods in the instructions.
2. Require tuition and fees to be reported at the amount shown in the general purpose financial statements. Add a schedule of scholarship grants and allowances that requires amounts for each type of aid by accounting method used. The database can manipulate the amounts to adjust tuition and fees amounts so that comparable amounts result.

Recommendation

We recommend alternative 2 because we believe that institutions will have less difficulty completing the PRETEST Survey accurately. An example of the schedule is provided below:

	Program	Allowance	Agency	Rev/Exp
BA01	Pell Grants	$	$	$
BA02	Other federal grants			
BA03	State and local grants			
BA04	Institutional grants (funded)			
BA05	Institutional grants (unfunded)			
BA06	Total	$	$	$
BA07	Portion of line BA06 applied to tuition and fees			
BA08	Portion of line BA06 applied to auxiliary enterprise revenues			

Although initially appearing burdensome to complete, the schedule requires almost the same information as was required in the PRETEST Survey in Schedule BA. It is primarily the format that has changed to accommodate the differing accounting methods and permits less confusing instructions. Added are amounts for other federal grants programs and the portion of aid that is applied to auxiliary enterprise revenues (both were overlooked in designing the PRETEST Survey). This information is used for other purposes; therefore, institutions should have it available. NACUBO's position paper requires that the amounts of institutional grants applied to tuition and fees and auxiliary enterprise revenues be disclosed on the face of the statement of activities. The amounts of federal and state grants are often required for other regulatory reporting purposes. Because of the importance of financial aid information, we believe that inclusion of the schedule is appropriate.

Other Revenue and Gain Considerations

Description of the Problems

In addition to the problems described above, three other revenue items need consideration:

1. Inappropriate amounts were reported in "other revenues and gains" (B19).
2. Local government support lines could be eliminated.
3. Two amounts required for computing ED's financial responsibility ratios do not appear in the PRETEST Survey.

The PRETEST Survey required "other revenue and gains" (B19) to be detailed in Schedule BC. We examined the items reported in "other revenues and gains" to determine if new revenue lines should be created or if existing revenue line descriptions should be modified. Some items reported on this schedule clearly should have been reported on other lines (endowment income, investment income, gain on sale of investments, plant fund revenue, student aid revenue, continuing education fees, medical clinic revenues, subscriptions). Other items probably belong elsewhere (athletics fees, activities fees, ticket revenues, student services fees). Still other items should not have been reported in the PRETEST Survey at all as they are internal transactions (interdepartmental revenues, gains utilized by operations, indirect cost recoveries, reclassification from temporarily restricted net assets.) Finally, some institutions provided detail for relatively insignificant revenue sources in Schedule BC. That last situation creates an additional burden for institutions without any significant benefit.

To determine if line items should be deleted or combined, we examined the frequency with which line items were used. Most institutions did not report amounts on the "local appropriations" (B05) and "local gifts, grants, and contracts" (B08) lines. In certain of its reports, *The Digest* reports these amounts combined with state appropriations or state gifts, grants, and contracts. The amount of local support at private institutions is relatively insignificant (less than 1 percent of current funds revenues). The amount is

also 1 percent or less at most public institutions (exceptions are associate of arts [19.49], fine arts institutions [21.20], and tribal colleges [5.39]).

ED's net income ratio requires two amounts that do not appear in the PRETEST Survey: change in unrestricted net assets and total unrestricted revenues, gains, and other support (which includes the reclassification for expiration of restrictions).

Purpose of Gathering the Information

The general reasons for gathering revenue information were discussed at the beginning of the revenues section of this report. Those reasons generally apply to "other revenues and gains information" as well. Perhaps as important, the "other revenues and gains" line item completes the revenues section so that the change in net assets agrees with the financial statements.

Implications

To the extent that some institutions report certain revenues on one line of the PRETEST Survey, and other institutions use a different line for the same revenue, the comparability of the database information is impaired. Some differences are inevitable because institutions may group revenues differently internally and because some institutions may not follow the instructions. Being too prescriptive about where amounts should be reported or adding additional lines for relatively immaterial amounts makes completion of the survey more burdensome because institutions will have to analyze and reclassify more amounts.

Although we have recommended inclusion of line items to facilitate gathering information necessary to complete ED's financial responsibility ratios, gathering information about unrestricted revenues and change in unrestricted net assets is inconsistent with the strategy used in developing the PRETEST Survey. Distinctions for revenues that were based on the classes of net assets (unrestricted, temporarily restricted, and permanently restricted) were generally avoided for two reasons. First, unrestricted/restricted distinctions are less meaningful for revenues because standards for private institutions permit restricted revenues to be reported as unrestricted if the restriction lapses in same period. Some private institutions will utilize that option, others will not; comparability between institutions could be impaired. Second, there are no comparable distinctions for public institutions. A question could be added to the PRETEST Survey to gather the information for ED's net income ratio, even though that action would be inconsistent with the development strategy. The information would be readily available and most institutions should be able to easily complete the question.

Suggested Alternatives

1. Retain the format of all revenue line items other than those discussed in earlier sections of this report.

2. Eliminate line items that do not appear to be frequently used, and modify the instructions for the revenue lines so that fewer items are reported in "other revenues and gains."

Recommendation

We recommend alternative 2. The instructions for the "other revenues and gains" line should repeat the instructions that interfund and intraorganizational charges and credits are excluded from revenues and expenses and include the following as examples: interdepartmental changes, indirect cost recoveries, and reclassification from temporarily restricted net assets. The instructions for tuition and fees should specifically mention that continuing education, conference, and seminar fees should be included on that line. The instructions for sales and services of auxiliary enterprises should mention that revenues of medical clinics that are not affiliated with a hospital are included on that line, and that the revenues of clinics that are affiliated with hospitals are included with hospital revenues. Finally, the instructions should require that distributions from trusts should be included with investment return. (We recommended that beneficial interests in trusts be included in the investments line, and the Not-for-Profit Audit Guide includes the distributions in investment return.)

To reduce the overall burden of preparing the PRETEST Survey, Schedule BC should only be completed if "other revenues and gains" (B19) is more than 3 percent of "total revenues and gains" (B20). That would eliminate the schedule for about half the institutions.

The "state appropriations" line (B04) should be combined with the "local appropriations" line (B05), and the "state gifts, grants, and contracts" line (B07) should be combined with the "local gifts, grants, and contracts" line (B08).

We defer to the National Center on Education Statistics on the question of whether the PRETEST Survey needs to gather all the necessary information for ED's financial responsibility ratios. It does not currently require that information.

Draft of Revised Part B

A draft of revised part B is presented below:

DRAFT OF REVISED PART B

	Source of Funds	Total (1)	Noncurrent (2)	Current (3)
B01	Tuition and fees *(net of amount reported on line BA07)*	$	$	$
	GOVERNMENT APPROPRIATIONS			
B02	Federal appropriations			

B03	Through state channels			
B04	State and local appropriations			
	GOVERNMENT GIFTS, GRANTS, AND CONTRACTS			
B05	Federal gifts, grants, and contracts			
B06	State and local gifts, grants, and contracts			
	PRIVATE GIFTS, GRANTS, AND CONTRACTS			
B07	Private gifts, grants, and contracts			
B08	Contributions from affiliated entities			
	OTHER REVENUE AND GAINS			
B09	Investment return (income, gains, & losses)			
B10	Sales and services of educational activities			
B11	Sales and services of auxiliary enterprises *(net of amount reported on line BA08)*			
B12	Hospital revenue *(from BB08)*			
B13	Independent operations revenue			
B14	Other revenue *(Complete Schedule BC if line B14 is more than 3% of B15)*			
B15	Total revenues and investment return	$	$	$

PART C: REPORTING EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATIONS

The PRETEST Survey requests the display of expenses by function using the expense functions prescribed in NACUBO's *Financial Accounting and Reporting Manual (FARM)*. The IPEDS Survey uses the same functions for reporting current fund expenditures.

The order of the line items has been changed from the IPEDS Survey to provide two options for the display of expenses associated with the operation and maintenance of plant. For 1996, most institutions recognized operation and maintenance of plant as a support function. Others, following the guidance provided in SFAS 117 and the Audit Guide, allocated the cost of operation and maintenance of plant to other program and support functions. Part C of the PRETEST Survey provided for both options.

SFAS 117 provides substantial flexibility for institutions to determine what program and support functions they display in their statement of activity. While most institutions in the pilot test study displayed expenses by the traditional *FARM* categories, some did not. Those who did not use the *FARM* categories completed part C of the PRETEST Survey either by:

1. Restating expenses by function to match the PRETEST Survey requirements; or
2. Reporting in the same manner as in their financial statements, usually aggregating information into a PRETEST expense function category that most closely associated with the more aggregated financial statement category display. For example, several

institutions grouped instruction, research, public service, and academic support other than libraries into the single category of instruction in the PRETEST Survey.

Expenditure information is widely used by those who use the database and the reports generated from it. *The Digest* contains many expenditure reports based on IPEDS finance data. Users' needs for functional expense data appear to be met relatively well in the PRETEST Survey. The first year response to the functional expense breakout was generally good, and we believe that it will improve with the implementation of the Audit Guide provisions.

The PRETEST Survey includes a columnar matrix to report six natural expense classifications by function: salaries and wages, employee benefits, operation and maintenance of plant (if allocated), depreciation, interest, and all other. The total of the natural expense amounts entered for each functional category equals the total expense for that function. The resulting display shows the nature of expenses incurred in each reported function. The IPEDS Survey requests only the breakout of salaries and wages by function. Adding the display of depreciation, interest, and operation and maintenance of plant by function is useful both for purposes of bridging information as well as for comparisons of functional expenses between institutions. The question is whether the benefit of obtaining the information is greater than the burden of reporting it.

The PRETEST Survey requests that capitalized current fund expenditures for plant and equipment be entered for each functional category in a separate (detached) column. The IPEDS Survey generally reports capitalized current fund expenditures either in functional expenditure categories or as transfers to plant. The IPEDS Survey does not provide the information to know which of those two methods institutions used.

Revisions to the Display of Functional Expenses

Description of the Problem

The PRETEST Survey was designed to report all expenses using the expense function categories included in *FARM*. FASB 117 and the Audit Guide (¶3.14) prescribe that expenses be reported by function but do not prescribe the expense functions to be used, other than to require program expenses be reported separate from support. The Audit Guide (¶13.45) further indicates that operation and maintenance of plant is not considered a program or a support function. At this point, most institutions have not implemented the Audit Guide and consequently include operation and maintenance of plant as a separate line in their financial statements. In addition, many institutions are reporting depreciation, interest, and "other" noncurrent fund expenses as separate lines in the statement of activities rather than including such expenses in one or more of the program or support functions. Finally, some institutions have combined several of the traditional expense functions in the display of expenses in their financial statements. Although the prescriptive nature of the PRETEST Survey implies that expenses should be reported for all relevant functional expense categories, several pilot test participants combined the

activity for several expense functions and reported the combined total in a single function.

Purpose of Gathering the Information

Reporting of expenses by function has been a primary element in the IPEDS Survey since its inception. In the past, IPEDS' reporting of functional expenditures was limited to current fund activity. With the implementation of SFAS 117, the amounts reported in the PRETEST Survey by function are based on entitywide activity. While this results in material differences between the IPEDS Survey and the PRETEST Survey amounts, the continued display of expenses by function is important for data aggregation and for data comparison. Also, classifying expenses using the same functional categories is important to build a link between IPEDS expenditures and PRETEST expenses.

Implications

Since the reporting of current fund expenditures by function has been a key component of the IPEDS Survey, reporting by the traditional expense functions is essential. The *FARM* functional categories have been used for the IPEDS Finance Survey for several years. Since both SFAS 117 and the Audit Guide provide only general guidance for reporting of expenses by function, the *FARM* remains, at least for the present, the most authoritative guidance in this area. Until additional guidance is provided, we have no basis for making changes in the functional categories for the reporting of expenses.

Suggested Alternatives

1. Group several of the traditional expense function categories to reduce the number of program and support functions, including a line for other expenses.
2. Retain existing expense function categories displayed in the PRETEST Survey, and request respondents to use these categories rather than those included in their financial statements or in notes to the statements.

Recommendation

We recommend alternative 2. It is important to continue using the *FARM* program and support functions, including an option for reporting the operation and maintenance of plant as a separate support function. The proposed standards for public institutions allow operation and maintenance of plant as a functional category. It is anticipated that NACUBO will examine issues related to revenue source categories, expense functions, and the reporting of gains and losses in the near future. Until that happens, it seems appropriate to use the traditional *FARM* functions.

Revise the instructions to make it clear that <u>all</u> expenses are to be reported by function. With the implementation of the Audit Guide, the reporting of expenses such as depreciation, interest, and other noncurrent deductions in expense functions should be settled.

Reporting of Scholarship and Fellowship Awards

The PRETEST Survey prescribed that most scholarship awards be recognized as a revenue discount rather than as an expense. In their general purpose financial statements for 1996, most institutions continued the past practice of recognizing scholarships and fellowships as an expense, principally because they had not implemented the Audit Guide. The resulting display in the PRETEST Survey differed from the reporting in the general purpose financial statements in most cases. Public institutions also recognize scholarship awards as expense. However, the proposed standards for public institutions provide that most awards should be recognized as allowances. The earliest this could impact public college reporting is the 2001 fiscal year. Lastly, the IPEDS Survey and the IPEDS database include scholarship and fellowship awards in expenditures.

Description of the Problem

The PRETEST Survey was designed to report most scholarships as allowances or discounts from revenue. Both SFAS 117 and the Audit Guide (¶13.07) support the reporting of most student financial aid as a revenue discount. A NACUBO position paper released in early 1997 provides detailed recommendations for the recognition and display of scholarship and fellowship awards. That document directs that most awards be recognized as allowances rather than as expenses. Where institutions did recognize scholarship and fellowship awards as allowances, varying recognition criteria were used. Absent authoritative and relatively detailed guidance in this area, this result was expected.

Since most institutions included in the pilot test study recognized scholarships and fellowships as expenses, both revenue and expense comparisons between the financial statements and the PRETEST Survey were affected. The net impact was that differences in reporting practices became reconciling items in our comparative analysis.

Purpose of Gathering the Information

Both the Audit Guide and the NACUBO position paper now provide additional guidance for the recognition and display of scholarship allowances. As a result, institutions will be required to recognize most scholarship and fellowship awards in their fiscal 1997 financial statements as allowances. Because it is unlikely that consistent recognition criteria will be applied for fiscal 1997, the PRETEST Survey will need to continue to accommodate differing recognition and display. Further, since not all scholarship and fellowship awards will be treated as allowances, there will be a need to continue to provide for the reporting of some scholarship and fellowship awards as expenses.

Implications

The Audit Guide and the NACUBO position paper provide the guidance necessary to resolve scholarship recognition and display differences. While it may be several years before consistent treatment of scholarship and fellowship awards is achieved, the trend toward recognition of most awards as revenue discounts has been clearly established.

Suggested Alternatives

1. Request all institutions report scholarship and fellowship awards using the guidance provided by the NACUBO position paper.
2. Request institutions report scholarship and fellowship awards based on the recognition and display criteria applied in their general purpose financial statements.

Recommendations

We recommend alternative 2. It is important that institutions report in the revised PRETEST Survey using the same recognition and display criteria as in their financial statements. That should result in most, but not all, scholarship and fellowship awards being recognized and displayed as allowances. No change to the expense matrix in part C is necessary for this item. The only change recommended for the recognition of scholarship and fellowship expense is to indicate in the instructions that the accounting treatment of scholarship and fellowship awards should be based on the institution's accounting policies and procedures.

Display of Functional Expenses by Natural Classification

The PRETEST Survey requests the reporting of functional expenses by specific natural expense categories. It requires that the sum of the natural expense categories for each line equal the total for the expense function. The natural categories required are as follows:

Salaries and wages
Employee benefits
Operation and maintenance of plant
Depreciation
Interest
All other

The IPEDS Survey requires only that salaries and wages be reported by expense function. Several pilot test participants questioned the need for the more detailed requirements for the display of expenses by natural categories. For 1996, several pilot test participants did not allocate depreciation, interest, and operation and maintenance of plant to functions in their general purpose financial statements. These difficulties led to a low response rate to this section of the PRETEST Survey.

Description of the Problem

Pilot test participants indicated that the requirement to display functional expenses by natural categories was difficult to interpret and that completing the matrix was a significant burden. The Bureau of the Census' preliminary analysis of responses to the 1996 survey indicates that this section of the survey received the lowest response rate. A significant part of the problem can be attributed to the fact that during 1996 few

institutions adopted the Audit Guide's provisions to report all expenses by functional classification. As a result, many institutions displayed depreciation, interest, and operation and maintenance of plant as separate expenses in their general purpose financial statements. In cases where those expenses were displayed separately, and thus not included in functional expenses in the general purpose financial statements, institutions were forced to improvise to complete the matrix. Several alternatives were noted, ranging from not completing this section of the PRETEST Survey to allocating the expenses to one or more of the expense functional classifications to grouping the expenses and including them on line C16 (losses, extraordinary items, and other changes).

Providing alternative treatments for the display of operation and maintenance of plant in part C also confused some institutions. Most recognized operation and maintenance of plant as a separate support function in both their general purpose financial statements and in the PRETEST Survey. However, some misinterpreted the instructions and made an allocation of operation and maintenance of plant to the other functional categories even though they had not done so in their financial statements.

Perhaps as significant in causing the low response rate and high reported degree of difficulty was that most institutions were unaware of the requirement to provide the expense matrix information. Although institutions have developed internal reports that provide the salaries and wages information by functional categories as required by the IPEDS Survey, institutions did not have special reports to provide functional information for benefits, depreciation, and interest. Without those reports, determining the amount included in each functional category could be time consuming, especially if the institution allocated those expenses across all functional categories.

The above problems, coupled with the difficulties experienced in eliminating intraorganizational activity from the expense matrix (by using the "all other" expense category), made completion of part C more time consuming than any other part of the PRETEST Survey.

Purpose of Gathering the Information

The request for reporting functional expenses by natural classification was introduced primarily to provide the information needed to form a bridge between the current fund expenditures and transfers of the IPEDS Survey report and the entitywide reporting of functional expenses in the PRETEST Survey. A second, and perhaps equally important, purpose was to provide information on the natural expense components of functional expenses, particularly depreciation, interest, and operation and maintenance of plant.

Implications

If reported properly, certain elements of the natural expense matrix represent an important link to the IPEDS database and to the IPEDS Survey's reporting of current fund expenditures by public institutions. Without the display of depreciation, interest, and

operation and maintenance of plant by function, critical elements of the bridge to the existing IPEDS database and to public institution IPEDS reporting will be missing.

Perhaps of equal importance is the fact that institutions use very different methods of allocation of these expenses. Knowing the amounts included in each functional expense category is important for comparing institutions and their costs of education. Knowing the *method* of allocation of such costs is of less importance.

Suggested Alternatives

1. Abandon the attempt to build the bridge using columns to be completed in part C of the PRETEST by eliminating the natural expense matrix.
2. Retain those natural expense columns critical to building the bridge, and eliminate the requirement that the total of the natural expense columns equal the functional expense total.
3. Retain the natural expense columns provided in the 1996 PRETEST Survey.

Recommendation

We recommend alternative 3. That alternative retains most of the information required for the bridge to the IPEDS database, and it provides database users with important information about the natural expense components of each of the functional expense categories—making meaningful comparisons between institutions possible.

Although institutions reported that completing the matrix of expenses was burdensome, we believe the level of burden is justified when considering the importance of the resulting information. Further, we believe that the burden will be reduced somewhat when private institutions implement the Audit Guide's requirement to report all expenses by functional class.

Separate Display of Capitalized Current Fund Expenditures for Plant and Equipment

The PRETEST Survey includes in part C a separate column (column 8) to enter by expense function the amount of capitalized current fund expenditures for plant and equipment. Some pilot test participants indicated that the changes made to accounting and financial reporting systems in response to implementation of SFAS 117 make this requirement difficult to complete. Several pilot test participants did not complete this column in part C, and the Bureau of the Census' preliminary study of PRETEST responses indicates that the response rate to this requirement was well below 50 percent.

In addition, the pilot test study revealed that, instead of reporting expenditures in the current funds when capitalizable equipment is purchased, some institutions reported transfers from current funds to plant in the IPEDS Survey. Consequently, such amounts are not included in the functional expenditure categories of some institutions in the IPEDS database, and there is no way to know which institutions chose which alternative.

In the design of the PRETEST Survey form, this accounting alternative was not anticipated.

Purpose of Gathering the Information

The only purpose for reporting current fund expenditures for plant and equipment was to support the bridge to the IPEDS Survey's reporting of current fund expenditures by function.

Implications

The low response rate and unanticipated differences in the reporting of these expenditures in the IPEDS Survey mean that this element can not be used for purposes of bridging to the IPEDS database. There is very little prospect that this situation will improve in the future. In fact, it is likely that just the opposite will occur.

Suggested Alternatives

1. Retain the column in part C, but make completion optional.
2. Delete the item from part C.

Recommendation

We recommend alternative 2. It is our judgment that retention of this requirement is problematical. The low response rate and differences in accounting for such expenditures in the current IPEDS Survey prevent the use of this element to bridge to the IPEDS database.

Display of Gains, Losses, and Special Items

The entitywide perspective of SFAS 117 requires all changes in net assets to be reported in the statement of activity. The PRETEST Survey design accommodated the reporting of all changes in net assets for the period by providing two default lines—a line in part B for "other revenue and gains" and a line in part C for "losses, extraordinary items, and other changes." The IPEDS Survey's reporting of current fund revenues, expenditures, and transfers excludes most of those gains, losses, and other items. Part B of the IPEDS Survey includes lines for reporting current fund expenditures by function, mandatory transfers, and nonmandatory transfers.

Description of the Problem

We examined the items included in the line for the display of losses, extraordinary items, and other changes to determine if changes were necessary. Pilot test participants reported a combination of several types of net asset changes on this line, including losses on the disposition of property, plant, and equipment, costs associated with early retirement programs, extraordinary items, and the cumulative effect of changes in accounting principle. Entered as a combined amount, this display does not provide an explanation of

these items, which, in some cases, were material in amount. For example, implementation of SFAS 116 and 117 resulted in several institutions reporting a large cumulative effect of the changes in accounting principle on this line.

Purpose of Gathering the Information

The primary purpose for including all gains, losses, and other unusual items in the PRETEST is to report all changes in net assets in the survey. This is consistent with the provisions of SFAS 117 and provides a comprehensive display of the change in net assets for the period. Consequently, the total activity reported in the PRETEST should agree with the total activity reported in the general purpose financial statements.

Implications

Many of the items required to be included in line C16 occur infrequently, others occur frequently. All, when they occur, can result in gains rather than losses. It is not helpful to institutions, or to users of the database, if in certain circumstances an event (a gain) is reported in part B and in other circumstances an event (a loss) is reported in part C. It also is not helpful to users if these events, which are often individually material in amount, are reported in a single combined amount without further explanation.

To be done properly, all material gains, losses, and other special items should be separately displayed in the PRETEST Survey. APB Opinion No. 30 requires the display of extraordinary items, gains or losses on the disposal of a segment, and the cumulative effects of changes in accounting principle in a separate section of the activity (income) statement following the reporting of revenues and expenses. It would seem appropriate that the PRETEST provide for the same or a similar presentation. Also, the separate reporting of gains, losses, and other unusual items is useful in bridging to the IPEDS database as these items are not generally included revenues or expenditures in the IPEDS Survey.

Alternatives

1. Retain the single line reporting of other revenues and gains in part B and the single line reporting of losses, extraordinary items, and other changes in part C, and provide a supporting schedule to explain the nature of these items.
2. Expand part C by adding lines to provide for the separate reporting of losses, extraordinary items, and other changes in that part.
3. Redesign part D to report total revenues from part B, total expenses from part C, and special items, including other gains (losses), discontinued operations, extraordinary items, and the cumulative effect of changes in accounting principle.

Recommendation

We recommend alternative 3. We would move the reporting of losses and other changes from lines C15 and C16 of part C to part D and provide for the separate display of these items consistent with the provisions of APB Opinion No. 30. Since all private and public

institutions are subject to this reporting standard, the separate display of such items in part D should result in a display similar to that of the financial statements. The revision of part D to separately display these gains and losses will prescribe how such items should be reported and will eliminate the uncertainty pilot test participants experienced in completing the PRETEST Survey for 1996. The inclusion of other items in part D has the added advantage of making part C a report only of expenses by function.

Draft of Revised Part C

A draft of revised part C is presented on the next page.

DRAFT OF REVISED PART C

We recommend that the following revenue section be included in the revised PRETEST Survey. This draft incorporates the changes suggested in this section of the report.

	Item	Total (1)	Salaries and Wages (2)	Benefits (3)	O&M (4)	Depreciation (5)	Interest (6)	All Other (7)
C01	Instruction	$	$		$	$	$	$
C02	Research							
C03	Public service							
C04	Academic support							
C05	Student services							
C06	Institutional support							
C07	Auxiliary enterprises							
C08	Scholarships and fellowships							
C09	Hospital services							
C10	Independent operations							
C11	Operation and maintenance of plant				( )			
C12	Total expenses	$	$		$ 0	$	$	$

PART D: SUMMARY OF REVENUES, GAINS, EXPENSES, AND LOSSES

In the PRETEST Survey, the total revenue and gains reported in part B and the total expenses, losses and special items reported in part C are summarized in part D to show the change in net assets for the period. The net change in part D should agree with the change in net assets reported in the general purpose financial statements. The ending net assets should agree with both net assets reported in the statement of financial position in part A and the net assets reported in the general purpose financial statements. As part of the pilot test study, we confirmed these links with part A and the institution's general purpose financial statements. The comparative analysis indicated that part D agreed with the net assets total reported in part A and with the total net assets and change in net assets reported in the institution's general purpose financial statements.

The IPEDS Survey does not provide a similar summary of the change in fund balances, and no attempt is made to relate the totals reported for revenues and expenditures with the change in current fund balances. In fact, the necessary information to determine the net change is not included in the IPEDS Survey. Although part D of the PRETEST Survey in its present form has limited informational content, it does support the articulation of totals with part A and with the general purpose financial statements.

Recognition and Display of Gains, Losses, and Other Changes

Description of the Problem

Most pilot test participants completed part D correctly. The primary problem encountered by pilot test participants in completing part D was in understanding the relationship between the display of gains and losses in parts B and C with the recognition in part D of adjustments to the beginning net asset balance. Preparers were uncertain about what to include on line C16 (losses, extraordinary items, and other changes), line B19 (other revenue and gains), and line D04 (adjustments to beginning net assets). This problem was particularly noticeable for fiscal 1996 because many institutions reported the effect of implementation of SFAS 116 and 117 as a change in accounting principle while others applied the new standards retroactively.

As currently constructed, the PRETEST Survey displays all revenue and gains in part B and all expenses, losses, and other deductions in part C. The totals for revenue and gains in part D on line D01 and expenses and losses on line D02 do not relate well to the display in the financial statements because gains, losses, extraordinary items, and the cumulative effect of changes in accounting principle are, generally, separately displayed in the institution's statement of activity.

Purpose of Gathering the Information

The primary purpose for part D is to provide a summary of activity that articulates with the net asset total in part A and reconciles the PRETEST Survey totals with the general purpose financial statements. One of the most important concepts applied in the design of the PRETEST Survey was to have the information requirements parallel the general purpose financial statements. Part D provides this connection with respect to the total change in net assets and the total net assets at the end of the reporting period.

Implications

Although part D was successful in providing the summary necessary to link the total changes in net assets reported in the PRETEST with the changes reported in the general purpose financial statements, expanding part D to separately include changes other than revenues (part B) and expenses (part C) is useful in providing information about gains and losses that are unusual, infrequent, or both, and often material in amount. Removing those items from parts B and C gives preparers specific guidance in the reporting of these unusual or nonrecurring items while preserving the objective of reporting all changes in net assets for the period in the PRETEST Survey. This more prescriptive approach can be designed to be consistent with APB Opinion No. 30. Expanding part D to include unusual and nonrecurring items has the added advantage of excluding from parts B and C several items that are not included in the IPEDS Survey and are not part of the present IPEDS database. This has the indirect effect of supporting the bridge between the databases.

Suggested Alternatives

1. Retain the reporting of unusual and special items in part B and part C.
2. Redesign part D to include all unusual and special items, including separate sections for extraordinary items and the cumulative effect of changes in accounting principle.
3. Eliminate the part D summary.

Recommendation

We recommend alternative 2. To clarify the display of gains, losses, extraordinary items, and the cumulative effect of changes in accounting principle, we recommend that part D be changed to provide the following:

1. Change the part D title to "Summary of Changes in Net Assets."
2. Include sections in part D to separately report gains (losses), discontinued operations, extraordinary items, and the cumulative effect of changes in accounting principle.
3. Prescribe that investment gains (losses) be displayed in part B as a component of investment return.
4. Include the net actuarial adjustment for changes in annuity and trust obligations as a separate line in part D.

The result of this recommendation is that all gains and losses will be reported in part D and not in part B or part C. The only exception to this will be the reporting of the gains (losses) on investments, which will be included as a component of investment return in part B.

We recommend that the following summary of changes be included in the revised PRETEST Survey. This draft incorporates the changes suggested in this section of the report.

	Item	Amount
D01	Total revenues and investment return *(from part B, line B15, column 1)*	$
D02	Total expenses *(from part C, line C12, column 1)*	
D03	Actuarial gain (or loss) on annuity and trust obligations	
D04	Gain (or loss) on sale of plant assets	
D05	Other gain (or loss)	
D06	Discontinued operations	
D07	Extraordinary gain (or loss)	
D08	Cumulative effect of change in accounting principle	
D09	Change in net assets *(Sum D01-D08)*	
D10	Net assets, beginning of the year	
D11	Adjustments to beginning net assets	
D12	Net assets, end of the year *(Sum D09-D11. This amount should equal the amount reported on line A24.)*	$

PART E: SUPPLEMENTAL INFORMATION

The PRETEST Survey includes in part E a mixture of requests for information to clarify or supplement data included in the primary parts of the form. The first two items relate to implementation of SFAS 117 and the requirement to provide in the PRETEST an entitywide statement of financial position. The remaining items provide supplemental financial data about contributions (question 3); land, buildings, and equipment (question 4); restricted net assets (question 5); components of investment return (question 6); and methods of expense allocation (question 7). These informational requirements are intended to supplement entries made in parts A, B, and C. In addition, the supplemental information was intended to conform to the PRETEST Survey, in part, to note disclosures required by SFAS 117.

Description of the Problem

Many pilot test participants believe that the information in part E is redundant or could be obtained by modifying existing schedules for part A or part B, or, if deemed essential, be included as an additional schedule relating to part A, part B, or part C. Questions about

what use will be made of this mixture of supplemental information were also raised. The information is not included in any schedules in *The Digest* nor does there appear to be any systematic link of the part E requirements to the primary parts of the PRETEST Survey form.

Purpose of Gathering the Information

As noted above, much of the supplemental information was included in the original form design based on SFAS 117 disclosure requirements. It was believed that institutions would be able to provide this information largely from the notes to their general purpose financial statements. The inclusion of this information in the PRETEST was based more on the importance conferred by SFAS 117 to these disclosures than to their usefulness to users of IPEDS Survey data.

Implications

To be most useful without being a burden to prepare, supplemental information should relate directly to the primary parts of the survey form. The apparent stand-alone nature of the supplemental data makes it unclear what use should be made of the information. While some of the supplemental data is important when associated with the primary parts of the PRETEST Survey, it is of questionable use when treated as a stand-alone item.

Suggested Alternatives

1. Revise part E to remove redundancy and to relate the supplemental information to the primary parts of the survey form.
2. Delete part E in its entirety, and include essential components in the support schedules to parts A, B, and C.
3. Retain part E, deleting those questions relating to implementation of SFAS 117 and the inclusion of a statement of financial position.

Recommendation

We recommend alternative 2. To the extent the supplemental information is considered essential, it should be included in supporting schedules to parts A, B, and C. This will more clearly establish the relationship between the supporting information and specific lines in parts A, B, and C.

Eliminate Part E by:

1. Deleting questions 1 and 2. They were to be included only in the test, not in the survey that would eventually replace the IPEDS Survey.
2. Deleting question 3 regarding contributions receivable. While the information is required to be included in notes to the financial statements, there is no known need for this detailed information.
3. Deleting question 4 regarding land, buildings, and equipment, and including asset balances and accumulated depreciation amounts in a supporting schedule to the statement of financial position.

4. Deleting question 5. While the information is required to be included in notes to the financial statements, there is no known need for this detailed information in the database. If it is considered necessary to disclose the nature of restricted net assets as supplemental information, the data should be included in a supporting schedule linked directly to the restricted net asset line(s) of part A.
5. Deleting question 6. Additional information regarding investment return (to the extent required) should be displayed in a supporting schedule to part B.
6. Deleting question 7 regarding methods of allocation. What is important for purposes of the IPEDS Survey is that part C displays the amounts of operation and maintenance of plant, depreciation, interest, and other noncurrent expenses by function. If the information is displayed, the methods used to allocate costs to functional categories of expense have no proven use and are not important for purposes of the bridge.

REORGANIZATION OF THE PARTS

Finally, we recommend that the revised parts be re-ordered as follows:

Part A: Revenues and Investment Return
Part B: Expenses by Function
Part C: Summary of Changes in Net Assets (Equity)
Part D: Statement of Financial Position

These changes in the design and location of the parts in the PRETEST Survey place the revenue and expense data, which are the information on which the IPEDS Survey focused, in the primary position. Those two parts articulate to the first two lines in part C, and the total in part C articulates to the equity section in part D, forming a more cohesive whole. Further, this ordering places most of the supplementary schedules at the end of the survey (since they provide information on the line items in the statement of financial position).

BRIDGING THE REVENUES, EXPENDITURES, AND TRANSFERS IN THE IPEDS SURVEY WITH INFORMATION IN THE PRETEST SURVEY (ADJUSTED)

For the pilot test participants, we compared the amounts reported for revenues by source, expenditures by function, and transfers in the IPEDS Survey with amounts reported on the same lines of revenue and expense in the PRETEST Survey. An illustrative example of the comparative worksheet is included in appendix C (on Worksheet 2). The worksheet illustrates the analysis and, in column 3, identifies the differences in revenues by source and expenses/expenditures by functional classification between the IPEDS Survey and the PRETEST Survey. The differences that can be explained using the information reported in the PRETEST Survey are shown in columns 5 through 9 of the illustrative worksheet. The remaining difference, which cannot be explained from the PRETEST information, is identified in column 4. This worksheet was completed for all of the institutions in the pilot study.

As expected, very significant differences in revenue totals and expenditure/expense totals were noted for all institutions. In addition, current fund transfers included in the IPEDS Survey are not reported in the entitywide reporting of the PRETEST Survey. Table 1 provides an outline of the major differences identified via the worksheet analyses. The last column of table 1 indicates whether the PRETEST Survey, if revised as recommended in this report, can supply the information necessary to provide the bridge to the IPEDS database. Several significant differences between the IPEDS Survey's revenues, expenditures, and transfers and the PRETEST cannot be bridged using information contained in the PRETEST Survey. These include the following:

1. IPEDS recognizes restricted current fund revenue when expended while the PRETEST Survey recognizes restricted revenue (including pledges) when received. This results in a difference in the timing of revenue recognition, which cannot be identified in the PRETEST Survey.

2. In-kind contributions of plant and equipment are recognized as revenue at the fair value of the assets received in the PRETEST Survey while in-kind contributions of plant and equipment are not recognized in the IPEDS Survey. No provision has been made to separately identify in-kind contributions in the PRETEST Survey.

3. Intraorganization and interfund activity are excluded from revenue and expense in the PRETEST Survey (or should be) but to the extent that such activity is included in current funds, the revenue and related expense are recognized in IPEDS. For instance, an auxiliary enterprise, such as dining services, may recognize sales revenue to institutional departments, and the departments receiving the goods and services recognize an expense. The amount of intraorganization and interfund activity of this type is not identifiable in the PRETEST Survey, nor is it identifiable in the IPEDS Survey.

4. Both mandatory and nonmandatory transfers of current funds are included in IPEDS but are not included in the entitywide display of the PRETEST Survey. No provision has been made for identifying these amounts in the PRETEST Survey, although in many cases they are material. While transfers do not affect the comparability of amounts reported by functional expense categories, except for auxiliary enterprises and hospitals, they do significantly impact the totals reported in the IPEDS Survey for expenditures and transfers.

5. Current fund expenditures for capitalized plant and equipment are generally included in the reporting of expenditures by function in the IPEDS Survey. However, we found that some institutions treat such expenditures as nonmandatory transfers. In the revisions in the PRETEST Survey, we are proposing that the reporting of current fund capital expenditures be eliminated as a data requirement of the PRETEST Survey. The primary reason is that the response rate to the display of this element by function was very low, but a secondary reason is that there is no way of knowing which

institutions reported these amounts in the IPEDS Survey as expenditures and which reported them as transfers; so the effectiveness of this item as a reconciling item is impaired.

Table 1

In the last column of table 1, we identify those areas of difference where amount of the difference can be explained from information contained in the PRETEST Survey. This could permit adjustment of the PRETEST data to approximate IPEDS' reporting of revenues and expenditures. Basically, those adjustments include the following:

- Deduct investment gains from and add back investment losses to revenues.
- Add back Pell and similar federal and state financial aid grants to revenue.
- Add back to scholarship and fellowship awards recognized as allowances.
- Deduct restricted additions for endowment, plant and equipment, and loan programs from revenues.
- Deduct depreciation expense from functional expenses.
- Deduct interest expense from functional expenses.
- Add back to scholarship and fellowship expense amounts recognized as scholarship allowances.
- Exclude from the comparative analysis all special items recognized in part D of the PRETEST Survey form.

The above adjustments could be programmed to specific cells in part B and part C or to the schedules supporting part B and part C.

Table 1

ITEM	IPEDS	PRETEST	PRETEST INCLUDES AMOUNT
REVENUES AND GAINS			
Investment gains and losses included in revenues	No	Yes	Yes
Pell and similar state financial aid grants recognized in revenue	Yes	No	Yes
Scholarship allowances recognized as revenue discounts	No	Yes	Yes
Restricted operating (current fund) revenue recognized when received	No	Yes	No
Restricted additions (all sources) to endowment, plant, and loan funds recognized in revenue	No	Yes	Yes
In-kind additions to plant and equipment recognized in revenue	No	Yes	No

Table 1 (continued)

EXPENSES, LOSSES, AND TRANSFERS			
Depreciation expense recognized as expense/expenditure	No	Yes	Yes
Interest expense on long-term debt recognized as expense/expenditure	No	Yes	Yes
Noncurrent expenses recognized as deductions (expense)	No	Yes	No
Intraorganizational revenue and expense and interfund activity eliminated	No	Yes	No
Scholarship and fellowship awards recognized as expense	Yes	No, generally	Yes
Other gains and losses recognized as income/expense	No	Yes	Yes
Special items recognized as changes (gains or losses)	No	Yes	Yes, proposed change in part D
Transfers recognized as additions or deductions	Yes	No	No
Current fund expenditures for plant and equipment recognized as expenditure deduction	Yes, generally	No	No
Actuarial adjustment for annuity and trust obligations recognized	No	Yes	Yes

It is clear that some of the differences that cannot be explained from the PRETEST Survey data are more important than others. Those that potentially have the greatest impact are transfers and current fund expenditures for capitalized plant and equipment. It is our judgment that a sufficient number of respondents will not provide, or will not be able to provide, this information in the future to preclude incorporating those data requirements in the form. To some extent, depreciation, interest, and plant fund expenditures for items that do not meet the capitalization policies may offset transfers to plant. However, transfers—especially those that are nonmandatory—are frequently for discretionary purposes, such as for additions to quasi-endowment, and are generally not reported in general purpose financial statements.

An especially important factor in successfully bridging the databases is in the differentiation of operating and nonoperating revenues. The concept is to define nonoperating (using a different title) as those revenues that would **not** be included in the IPEDS Survey.

Additional study will be necessary to determine whether an effective bridge can be developed between the IPEDS Survey and the PRETEST Survey. Several changes we have recommended in other sections of this report make it less feasible. We have consistently recommended that the PRETEST Survey requirements parallel the

information reported in the general purpose financial statements and related note disclosures. We also have consistently recommended that information necessary to bridge the databases be required, even though those requirements increase the burden of completing the PRETEST Survey. We also, however, have considered whether reliable information can (or will) be provided by institutions. As a result, in some cases our recommendations run counter to the need to build a bridge to the IPEDS database. We have eliminated some requirements of the PRETEST Survey even though they provided information about valid reconciling items because we believe that the information could be unreliable and will adversely affect the quality of the bridge.

In conclusion, we believe that, with improved instructions and with the proposed revisions to the PRETEST Survey, the unexplained differences between the IPEDS and PRETEST databases will average less than 5 percent of revenues and less than 5 percent of expenses.

FACTORS CONSIDERED IN DEVELOPMENT OF THE PRETEST SURVEY

The development of the Private Institution IPEDS PRETEST Finance Survey (PRETEST Survey) for 1996 was based on a study conducted by NACUBO for the National Center for Education Statistics (NCES). The study was undertaken in acknowledgment of the fact that implementation of FASB Statement of Accounting Standards No.117, *Financial Statements of Not-for-Profit Organizations* (SFAS 117), by private colleges and universities for fiscal 1996 would significantly change institutional general purpose external financial statements from a fund group reporting focus to a display, which provides aggregated entitywide financial information. The study objectives were to examine the impact of SFAS 117 and recommend changes in the IPEDS Finance Survey, if necessary, to adapt the survey to the new financial accounting and reporting requirements for private colleges and universities.

The following factors were considered in the development of the PRETEST Survey form:

1. The objectives of the IPEDS Survey, which are to provide financial information to:
    a. describe the financial position of postsecondary education,
    b. monitor changes in postsecondary education finance, and
    c. promote research in institutional finance.

2. The change in the focus of external financial reporting requirements for private institutions caused by implementation of SFAS 117. The reporting focus on entitywide economic change replaced the focus on reporting for fund groups. The study revealed that the IPEDS Finance Survey should be adapted to correspond to the new financial accounting and reporting standards for private institutions.

3. The influence of SFAS 116, *Accounting for Contributions Received and Contributions Made*, on the reporting of economic changes for the period.

4. The influence of SFAS 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations,* and the impact of its delayed effective date (effective for fiscal years beginning after December 15, 1995).

5. The effect of public institutions continuing, for the present, to report fund group financial flows as they have in the past. Consideration was given to possible changes in public institution financial statements based on the GASB preliminary views document, *College and University Financial Reporting Model: Core Financial Statements.*

6. The need to retain a link with the existing IPEDS Survey's current fund activity database to enable users of IPEDS finance information to analyze trends that spanned the existing database's current fund financial flow data and the entitywide economic change data of the new financial accounting and reporting standards.

7. The need to continue the use of the revenue source and expense function classifications provided in the NACUBO *Financial Accounting and Reporting Manual, 1990 (FARM)* until some other authoritative statement is released. The flexibility in financial statement display provided by SFAS 117 together with the fact that the study was undertaken prior to the release of the AICPA Audit Guide resulted in the *FARM* being the most definitive source.

APPENDIX B

PILOT TEST PARTICIPANTS AND TECHNICAL ADVISORY PANEL

Pilot Test Participants	Analyst	Worksheet 1 Completed	Worksheet 2 Completed	Questionnaire Completed	Attended Forum	Forum Attendee	Technical Advisory Panel
1. Abilene Christian University	RCH	X	X	X	X	Dale Crawford	
2. Baylor University	RCH	X	X	X			
3. Bethel College	SEB	X	X				
4. Boston College	RCH	X	X	X	X	Michael Lochhead	
5. Brandeis College	SEB	X	X				
6. Brown University	RCH	X	X	X	X	Donald Schanck	
7. California Western School of Law	RCH	X	X	X			
8. Cleveland Institute of Music	RCH	X	X	X	X	Eric Bower	
9. Dartmouth College	SEB	X	X				
10. Faulkner University	SEB	X	X				
11. Harding University	RCH	X	X	X			
12. Hiram College	RCH	X	X	X	X	Linda Woodward	
13. The Johns Hopkins University	RCH	X	X		X	Andrew Mangels	same
14. Kettering College Medical Arts	RCH		X				
15. Kirksville College of Osteopathic Medicine	RCH	X	X	X			
16. Louisville Technical Institute	RCH		X	X			
17. Marymount University - Arlington, VA	RCH	X	X		X	Sr. Michelle Murphy	same
18. Meharry Medical College	SEB	X	X				
19. MidAmerica Nazarene College	RCH	X	X				
20. Muskingum College	RCH	X	X	X	X	Philip Laube	

Pilot Test Participants	Analyst	Worksheet 1 Completed	Worksheet 2 Completed	Questionnaire Completed	Attended Forum	Forum Attendee	Technical Advisory Panel
21. Northwestern University	SEB	X	X	X	X	Nancy Pinchar	
22. Nova Southeastern University	SEB	X	X	X			
23. Providence College	RCH	X	X	X			
24. Ranken Technical College	SEB	X	X	X			
25. Rice University	SEB	X	X	X	X	Lauren Ross	
26. Salve Regina University	RCH	X	X	X			
27. St. Louis University	SEB	X	X	X			
28. Talladega College	SEB	X	X				
29. Texas Wesleyan University	SEB	X	X	X			
30. Tulane University of Louisiana	SEB	X	X				
31. University of Bridgeport	SEB	X	X				
32. University of Chicago	SEB	X	X	X	X	Jim Ribikawskis	John Kroll
33. University of Denver	SEB	X	X	X	X	William Lobb	
34. University of Detroit Mercy	RCH	X	X	X			
35. Yale University	SEB	X	X				
36. Young Harris College	SEB	X	X	X			

APPENDIX B

Technical Advisory Panel

Cynthia Fenwick	University of Washington
Larry Goldstein	National Association of College and University Business Officers (NACUBO)
John Kroll	University of Chicago
Andrew Mangels	The Johns Hopkins University
Sister Michelle Murphy	Marymount University - Arlington, VA
David Zettergren	University of Memphis

WORKSHEET 1 EXAMPLE

Private College and University Pilot Study
Comparison of General Purpose Financial Statement Totals with PRETEST Survey

Auditor:

PART A STATEMENT OF FINANCIAL POSITION	GPFS	PRETEST	DIFFERENCE	COMMENTS
Total Assets	311,868,891	311,868,891	0	
Total Liabilities	(19,675,373)	(19,675,373)	0	
Net Assets	292,193,518	292,193,518	0	
Net Assets:				
Unrestricted	303,266	303,266	0	
Unrestricted - designated	61,752,452	61,733,064	19,388	
Unrestricted - Net investment in PP &E	78,316,598	78,316,598	0	
Total unrestricted	140,372,316	140,352,928	19,388	
Temporarily restricted	19,317,787		19,317,787	
Permanently restricted	132,503,415		132,503,415	
Total restricted		151,840,589	(151,840,589)	
Net assets	292,193,517	292,193,517	0	

PART D CHANGE IN NET ASSETS	GPFS	PRETEST	DIFFERENCE	COMMENTS
Reported Revenues and Gains	107,525,209	98,824,014	8,701,195	
Reported Expenses and Losses	(82,343,185)	(73,641,990)	(8,701,195)	
Change in net assets	25,182,024	25,182,024	0	
Adjustments to beginning net assets	0	0	0	
Net assets @ beginning of Period	267,011,495	267,011,495	0	
Net assets @ end of period	292,193,519	292,193,519	0	

PART B REVENUES AND GAINS BY SOURCE	GPFS	PRETEST	DIFFERENCE	PRETEST OPERATING	PRETEST NONOPER.	COMMENTS
Tuition and fees	49,759,090	49,759,090	1	49,759,090		
Less: Scholarship allowances		(8,214,514)	8,214,514	(8,214,515)		Schol. allowances in PRETEST
Net tuition and fees	49,759,090	41,544,576	8,214,515	41,544,575	0	
Government appropriations			0			
Government gifts, grants and contracts	1,543,143	1,496,692	46,451	1,496,692		Grants & contracts in GPFS
Private gifts, grants and contracts	9,546,356	9,546,356	0	7,054,357	2,491,999	
Income from long-term investments	9,250,201	9,250,201	0	8,737,468	512,734	
Net realized gains and losses on investments	(82,777)	(82,777)	0	(622,644)	539,867	
Net unrealized gains and losses on investments	18,133,177	18,133,177	0	15,205,773	2,927,405	
Other investment income	883,129	883,129	0	879,352	3,777	
Sales and services of educational activities		1,734,256	(1,734,256)	1,734,256		reclassificatn of revenue
Sales and services of auxiliary enterprises	13,116,370	12,629,690	486,680	12,629,690		Schol. allow. applicable to aux. revenues
Hospital revenue			0			
Independent operations revenue			0			
Other revenue or gains	5,376,519	3,688,714	1,687,805	3,688,715		Reclass. to sales and svcs of educational activities
Actuarial gain on annuity and trust obligations			0			
Total Revenue and gains	107,525,208	98,824,014	8,701,195	92,348,232	6,475,782	

PART C Expenses by Function/Losses and Other Changes	GPFS	PRETEST	DIFFERENCE	COMMENTS
Instruction	37,390,474	36,921,121	469,353	All other differences related to employee family tuition remission program
Research	932,396	924,140	8,256	
Public service	497,857	497,857	0	
Academic support	6,645,986	6,575,358	70,628	
Student services	5,887,394	5,807,409	79,986	
Institutional support	8,785,704	8,606,182	179,522	
Auxiliary enterprises	13,423,286	13,372,845	50,441	
Scholarships and fellowships	8,126,478	283,469	7,843,009	Scholarship allowances in PRETEST $8,214,515 also $486,680 in auxiliary revenue discounts.
Hospital services			0	
Independent operations			0	
Operation and maintenance of buildings			0	
Other operating expenses			0	
Total operating	81,689,575	72,988,380	8,701,195	Difference matches schol allow and aux rev difference
Actuarial adjustment on trust obligations	651,968	651,968	0	
Losses, extraordinary items and other changes	1,643	1,643	0	
Total expenses and losses	82,343,185	73,641,991	8,701,195	
Net Change	25,182,023	25,182,023	0	

NOTES:

Detail of other assets and liabilities:
N/A

Detail of unusual, special and extraordinary items:
loan cancellations & loss provisions 1,643

Definition of operating/nonoperating used:
Additions to permanently restricted net assets

Type(s) of independent operations:
None

Detail of other revenue/gains in PRETEST:

Foreign study programs	707,597
Microcomputer store sales	294,981
Special programs/conferenes	347,767
Health Center sales	357,220
Other	1,981,060
Total	3,688,624

Detail of other expenses/ other nonoperating expenses
None

APPENDIX C

WORKSHEET 2 EXAMPLE

Private College and University Pilot Study
Comparison of IPEDS with PRETEST Survey

LINE	REVENUES & GAINS	NOTES	IPEDS	PRETEST	DIFFERENCE (Col. 1 - Col. 2)	Unexplained Difference	Scholarship Allowances	Reclass. Category	Nonoper. Revenue	Pell & Similar	Other	EXPLANATION
A/B01	Tuition and fees	(2)	47,883,316	41,544,575	(6,338,741)	1,875,774	(8,214,515)					Unexplained diff. of $3,751,000 relates to fees assessed for non-current purposes
A/B04	State appropriations				0	0						
A/B06	Federal grants and contracts		2,520,909	1,146,515	(1,374,394)	(2,399)				(1,371,995)		Pell
A/B07	State grants and contracts		2,795,310	350,177	(2,445,133)	(17,021)				(2,428,113)		State aid grants
A/B09	Private gifts, grants and contracts	(3)	4,891,599	9,546,356	4,654,757	2,162,758			2,491,999			PR only; unexplained amounts diff. in timing and additions to plan
A10/B11	Endowment income	(3)	7,881,478	9,250,201	1,368,724	855,990			512,734			PR only; unexplained amounts diff. in timing and additions to plan
A—/B12	Real. and unreal. gains (losses) on invest.			18,050,401	18,050,401	0		69,702	3,467,272		14,513,427	Investment gains excluded from IPEDS
A—/B14	Other investment income			883,129	883,129	(27,176)		906,528	3,777			PR only
A11/B15	Sales and svcs. of educational act.		1,734,256	1,734,256	0	0						
A12/B16	Auxiliary enterprises		13,072,044	12,629,690	(442,354)	0	(442,354)					
A13/B17	Hospitals				0	0						
A15/B18	Independent operations				0	0						
A14/B19	Other sources		4,680,855	3,688,715	(992,140)	(15,910)		(976,230)				
	Total revenue and gains		85,459,765	98,824,014	13,364,249	4,832,016	(8,656,869)	0	6,475,782	(3,800,107)	14,513,427	
						5.65%						

LINE	EXPENSES AND LOSSES	NOTES	IPEDS	PRETEST	DIFFERENCE	Unexplained	O&M Plant	Depreciation	Interest	Capitalized Current Fds.	Other	EXPLANATION
B/C01	Instruction		32,910,088	36,921,121	4,011,033	(468,641)	3,244,706	2,355,958		(1,120,991)		
B/C02	Research		835,599	924,140	88,541	(8,256)	91,537	29,374		(24,113)		
B/C03	Public Service		483,244	497,857	14,614	(1)	9,692	6,640		(1,718)		
B/C04	Academic support		5,767,636	6,575,358	807,722	(70,628)	1,012,288	929,750		(1,063,688)		
B06/C05	Student services		5,328,776	5,807,409	478,633	(79,985)	431,299	198,435		(71,116)		
B07/C06	Institutional support		7,917,550	8,606,182	688,633	(179,522)	594,989	702,181		(429,015)		
B08/C11	Operation and maintenance of plant		4,916,123		(4,916,123)	488,387	(5,384,510)					
B09/C08	Scholarships and fellowships		11,927,298	283,470	(11,643,829)	813,147					(12,456,976)	Scholarship allowances $17,313,737; Pell & similar $7,600,214
B10	Mandatory transfers		224,766		(224,766)	0					(224,766)	Mandatory transfers excluded from PRETEST
B11	Nonmandatory transfers		2,996,257		(2,996,257)	0					(2,996,257)	Nonmandatory transfers excluded from PRETEST
B13/C07	Auxiliary enterprises		12,143,541	13,372,845	1,229,305	47,417		1,362,755	14,347	(195,214)		
B16/C09	Hospitals				0	0						
B19/C10	Independent operations				0	0						
B—/C15	Actuarial adjustment of trust obligations			651,968	651,968	0					651,968	Actuarial adjustment excluded from IPEDS
B–/C16	Losses, extraord items, other			1,643	1,643	0					1,643	Losses excluded from IPEDS
	Total expenses and losses	(1)	85,450,875	73,641,991	(11,808,884)	521,918	0	5,585,091	14,347	(2,905,853)	(15,024,387)	
						0.61%						

NOTES:

1 Net unexplained difference of $521,918 represents plant expenditures not capitalized.
2 Unexdained difference represent fees assessed for plant and equipment
3 Unexplained differences relate to timing of rev. recognition and additions to plant

WORKSHEET 2 SUMMARY EXAMPLE

SUMMARY OF WORKSHEET 1

INSTITUTION EXAMPLE

RECONCILIATION OF IPEDS REVENUES, EXPENDITURES AND TRANSFERS WITH PRETEST

	Explanation	Amount
TOTAL REVENUES IN PRETEST		$98,824,014
Deduct investment gains		(18,050,401)
Add back Pell and Similar		3,800,107
Add back Scholarship allowances to revenue		8,656,869
Deduct restricted additions to endowment, plant and loan programs	Included permanent add. only	(3,008,510)
Reclassification adjustment		69,702
ADJUSTED TOTAL FROM PRETEST		$90,291,781
REVENUES PER IPEDS SURVEY		85,459,765
UNEXPLAINABLE DIFFERENCE		$4,832,016
		===============
UNEXPLAINABLE DIFFERENCE AS % OF TOTAL IPEDS REVENUE		5.65%
TOTAL EXPENSES AND LOSSES PER PRETEST		$72,990,024
Deduct depreciation		(5,585,091)
Deduct interest expense		(14,347)
Deduct noncurrent expenses		(1,643)
Add scholarship allowances		8,656,869
Add current fund capital expenditures	To be deleted from PRETEST	2,905,853
Add mandatory and nonmandatory transfers	Not available from PRETEST	3,221,022
Add Pell and Similar to Scholarships		3,800,107
ADJUSTED TOTAL FROM PRETEST		$85,972,793
EXPENDITURES AND TRANSFERS PER IPEDS		85,450,875
UNEXPLAINABLE DIFFERENCE		$521,918
		===============
UNEXPLAINABLE DIFFERENCE AS % OF IPEDS EXPENDITURES AND TRANSFE		0.61%
UNEXPLAINED DIFFERENCE AS % OF IPEDS W/O ADJUSTMENT FOR TRANSFERS AND CURRENT FUND CAPITAL EXPENDITURES		7.78%

NOTE: The reconciliation excludes the actuarial adjustment of annuity and trust obligations because this information is proposed to be included in PART D of the PRETEST.

Appendix D
5/31/97 9:20 AM

MEMORANDUM

TO:

FROM: Ray Hunt
Susan E. Budak

SUBJECT: IPEDS PRETEST PILOT STUDY

We have been engaged by the National Center for Education Statistics (NCES) and NACUBO to analyze the private college and university 1996 fiscal year IPEDS PRETEST Survey results. Your institution is one of a group selected by the NCES for this pilot study. We ask less than three hours of your time.

We wish to make it clear at the outset that the purpose of this study is to determine what changes should be made in the PRETEST Survey and accompanying instructions and definitions. It is not a test of the reports you submitted. As an initial step in the study we compared the information displayed in your general purpose financial statements with the data submitted on the PRETEST Survey. We also made a comparison of the PRETEST Survey with the data provided in the 1996 IPEDS Survey.

The primary purpose of the comparison of the PRETEST Survey requirements with the general purpose financial statements (GPFS) is to determine the extent to which the PRETEST Survey data requirements can be obtained from general purpose financial statements or notes to the financial statements. Our goal is to draw much of the data from the financial statements so that the survey is easier to complete. The purpose of the comparison of the PRETEST Survey with the IPEDS Survey is to determine whether sufficient information in the PRETEST Survey to link the PRETEST information with the existing IPEDS Survey database. If not, we want to determine what additional data would be required as well as whether such information is readily available. Again, the study objective is to determine what changes should be made in the PRETEST Survey data requirements, definitions and instructions for 1997.

Our initial comparative analysis is shown in the accompanying worksheets. We need your assistance in identifying both anticipated and unanticipated differences between the PRETEST Survey, the financial statements and the IPEDS Survey.

The questions on the following pages relate directly to the worksheet analysis comparing the financial statements' information with the PRETEST Survey data. If you have questions as you complete the questionnaire, please call Sue Budak at (630) 539-4920. If completing this questionnaire takes more than three hours, please call Sue to discuss how it might be modified. Please try to complete the questionnaire by Friday, May 16, and fax it to Sue at (630) 893-0563. Sue will then call you to set up a mutually convenient time to discuss the questionnaire answers. Your assistance and support in the study are sincerely appreciated.

I: Comparison of GPFS with PRETEST Survey (Worksheet 1)

PART A - STATEMENT OF FINANCIAL POSITION (PRETEST Survey)

A1. On the PRETEST Survey you entered the following as "Other Assets."

(enter asset categories and amounts)

a. Are any of the assets included in your "other assets" category of importance to enough institutions that they should be displayed as a separate asset category (line) in PART A? Which ones?

b. If not, could any of the existing PRETEST Survey asset category definitions be expanded to include these other assets? Which category do you believe is most appropriate?

A2. On the PRETEST Survey you entered the following as "Other Liabilities."

(enter liability categories and amounts)

a. Are any of the liabilities included in your "other liabilities" category of importance to enough institutions that they should be displayed as a separate liability category (line) in PART A? Which ones?

b. If not, could any of the existing PRETEST Survey liability category definitions be expanded to include these other liabilities? Which category do you believe is most appropriate?

A3. In your general purpose financial statements you did not display unrestricted net assets in separate categories for designated unrestricted net assets or net investment in plant (carrying amount of plant property and equipment less plant related debt).

a. Was information readily available to provide this breakout of unrestricted net assets in the PRETEST Survey?

b. Do you believe it is useful to separately display unrestricted -- designated and net investment in plant in the IPEDS Survey? Why?

A4. Do you have any other comments about the asset liability and net asset categories included in the PRETEST Survey? Are there any asset or liability categories that you believe should be combined? If so, please indicate below:

PART B -- REVENUES AND GAINS (PRETEST Survey)

B1. Our study identified many inconsistencies in completing the Federal and State financial aid information in section BA. Please check the appropriate column to identify how you provide this information in your general purpose external financial statements (GPFS).

"Agency" means that you eliminate the grant revenue and scholarship expense before preparing your financial statements. "Allowance" means that you display the scholarship amount as a deduction from tuition. "Rev/Exp" means that you report grant revenue, tuition revenue, and scholarship expense for this aid in your financial statements.

	Agency	Allowance	Rev/Exp
a. Pell grants	________	________	________
b. Other Federal financial aid grants	________	________	________
c. State government financial aid grants	________	________	________
d. Local government financial aid grants	________	________	________

B2. Please answer the following general questions about financial aid awards.

a. Did the requirements of Schedule BA to recognize most awards as an allowance enable you to make this adjustment of tuition and fees and scholarship and fellowship expense in the PRETEST Survey?

b. If not, what changes should be made in the schedule or the instructions to the schedule?

c. The form did not provide for scholarship allowances to be shown as a deduction to auxiliary enterprise revenues, such as dormitories. Do some of your institution's scholarship awards apply to auxiliary revenues?

d. Do you plan to recognize scholarship allowances as a deduction from tuition (and possibly auxiliary) revenues in your fiscal 1997 financial statements?

B3. In general, we noted that the investment income categories used in lines B11 to B14 of the PRETEST Survey do not correspond to the display of investment income in the general purpose financial statements of most institutions.

a. Was the information required by B11 to B14 readily available?

b. The instructions to the PRETEST Survey required that investment return amounts be reported as non-operating if they were restricted by donors for endowment, building, or loan purposes either permanently or for a period of time. We realize that those instructions must be revised. Please described how your institution determines the portion of investment return that is used to support operations (for example, do you spend income only, use a spending rate formula, etc.).

c. Do you make a distinction in your statement of activity between the portion of investment return that supports operations and the portion that does not? If so, how?

d. Many institutions did not use the other investment income line (B14). Interest, dividends, and gains and losses on the institution's short-term working cash pools, demand deposit accounts, and similar current investment vehicles, as well as interest on loan programs was intended to be reported on this line. Do you distinguish between endowment and similar long-term investment return (lines B11 to B13) and operating investment return in your financial statements?

e. Do you believe it is necessary to distinguish between endowment and similar long-term investment return (lines B11 to B13) and operating investment return in the PRETEST Survey? Why?

B4. Many institutions do not distinguish between government and nongovernment sources of grants and contracts in their financial statements. Was the information required to complete lines B02 to B08 readily available?

B5. In addition to the above we noted differences between amounts reported in the following PRETEST Survey revenue categories and related financial statement (GPFS) revenue categories:

	GPFS	PRETEST	Difference
Sales and service of educational activities	498,000	0	498,000
Sales and services of auxiliary enterprises	2,533,000	3,031,000	(498,000)

list other revenue source categories as needed

Please help us identify the reasons for these differences. Do you believe that they require a modification to the PRETEST Survey?

B6. Your institution reported the following significant sources in Schedule BC (Other revenue or gains):

list sources and amounts

a. Are any of the sources included in your "other revenue" category of importance to enough institutions that they should be displayed as a separate category (line) in PART B? Which ones?

b. If not, could any of the existing PRETEST Survey category definitions be expanded to include these other sources? Which category do you believe is most appropriate?

c. It is intended that all investment income be reported on PRETEST Survey PART B lines B11 through B14. Do you consider any of the amounts included in Schedule BC investment income? If so, please identify.

B7. In the PRETEST Survey you listed as Nonoperating Revenue and Gains the following:

Private gifts, grants, and contracts
Income from long-term investments
Net realized gains on investments
Net unrealized gains on investments
Other revenue or gains

Please confirm our understanding of the definition of operating/nonoperating that you used when completing the PRETEST Survey. We believe that you defined nonoperating as ***(insert definition.)***

The instructions to the PRETEST Survey required that amounts be reported as non-operating if they were restricted by donors for endowment, building, or loan purposes either permanently or for a period of time. We realize that those instructions must be revised because they did not achieve their objective. The instruction was intended to define nonoperating as restricted revenue and gains (losses) reported in fund groups other than the current funds groups (pre-FASB Statement 117) and investment gains reinvested in accordance with a policy of the governing board. This information will be used to help build the link to the IPEDS Survey database, as well as to inform analysts that not all revenue is available to support operations.

If we revised the instruction to achieve the desired result, would information about nonoperating revenues and gains (plant, loan, endowment, and reinvested endowment gains) be available?

How might the instruction be revised to achieve the desired result?

Do you intend to make an operating/nonoperating distinction in your financial statements? If so, how will your institution define operations?

PART C EXPENSES, LOSSES AND OTHER CHANGES (PRETEST Survey)

C1. We noted the following differences between the functional expenses reported in the financial statements and the amounts reported in the PRETEST Survey:

	GPFS	PRETEST	Difference
list amounts			

Please help us identify the reasons for these differences. Do you believe that they require a modification to the PRETEST Survey?

C2. The following natural expense categories were separately reported in your financial statements and not allocated to the traditional functional expense categories:

Depreciation
Interest
Other expenses (list)

(list other separately reported expenses in GPFS)

Do you plan to allocate these expenses to functional expense categories in your financial statements for the 1997 fiscal year?

C3. Operation and maintenance of plant was included in your financial statements as a separate expense category. Do you plan to allocate operation and maintenance of plant to the other functional expense categories in your financial statements for the 1997 fiscal year?

C4. PRETEST Survey PART C -- lines C15 and C16 were intended to capture information about certain special items that could result in either an increase or decrease in net assets (such as actuarial gains and losses, gains or losses from the disposal of plant and equipment, extraordinary

items and the cumulative effect of changes in accounting principle). Some institutions reported only net losses in Section C, but reported net gains in Section B as "other revenues and gains."

Should a supporting schedule be provided to separately identify these special items that can be either increases or decreases in net assets? If so, should investment gains and losses remain in Section B or be included in the new section?

C5. The expense matrix (PART C - Columns 2 through 8) provides information required to link the institution's expense information in the PRETEST Survey with current funds expenditure information in the IPEDS Survey database. Because depreciation and interest were not reported in current funds, knowing by function where these expenses are reported is important for the reconciliation. Similarly, the Column 8 information reporting current fund expenditures for buildings and equipment (capitalized) is required to build the link to the IPEDS Survey database. Those expenditures would have been reported functionally in the past but now are not. Many participants indicated that the expense matrix was one of the more difficult parts of the survey form.

What difficulties did you experience in completing the matrix?

About how much time did completion of the matrix take?

PART D SUMMARY OF REVENUES, GAINS, EXPENSES AND LOSSES (PRETEST Survey)

PART D is intended to provide a summary total of the changes reported in PARTS B and C.

D1. The total change in net assets (line D03) should agree with the total net change reported in the financial statements. We noted the following difference in the amount reported on line D03 and the change in net assets in reported in the financial statements.

Describe difference

Please explain the reason for the difference.

D2. PART D - line DO4 is intended to report any adjustments to beginning net assets included in your financial statements. The amount and explanation of those adjustments should be entered in Schedule DA. PART D - line D04 reports $___________ in adjustments to beginning net asset balances that we have been unable to identify. Please explain.

II. Comparison of PRETEST Survey with IPEDS Survey 1996 (Worksheet 2)

In Worksheet 2, we attempt to build the link between the amounts reported in PARTS B and C of the PRETEST Survey with amounts reported in PARTS A and B the IPEDS Survey. This information is necessary so that we can build some algorithms for analysts to use when doing trend analyses that crossover the original/revised IPEDS Survey years.

E1. In PART B of the PRETEST Survey (revenue) we expected the following items to cause differences from amounts reported in PART A the IPEDS Survey for 1996:

Revenue Source	Expected difference
Tuition and fees	Scholarship allowances
Federal grants and contracts	Pell and similar financial aid grant amounts
State grants and contracts	State financial aid grants
Net realized and unrealized gains (losses) on investments	Endowment and similar investment gains (losses)
Auxiliary enterprises	Intra-organizational sales
All revenue sources	Amounts reported as nonoperating revenue (gains)

Where we were able to account for these differences we have identified them on the worksheet. The remaining difference is displayed in the worksheet as "unexplained" in Worksheet Column 4. We need your assistance in accounting for these unexplained differences.

It is not necessary to reconcile to the dollar. Our objective is to identify differences that will be common to most institutions. In addition, we need to confirm that the differences identified in the remaining columns of the worksheet actually explain differences between how your institution would have completed the IPEDS Survey in prior years and how you completed the PRETEST Survey. Please review Worksheet 2 and help us to identify the differences between revenues as reported on the two Surveys.

E1. ***(Other institutions)*** Your institution had no identified differences between the IPEDS Survey and the PRETEST Survey for revenues. Please identify which of the following approaches you used when completing the Surveys:

______ Our institution's records provide information that permits us to complete the IPEDS Survey most easily. We used the same information when completing the PRETEST Survey.

______ Our institution's records provide information that permits us to complete the PRETEST Survey most easily. We used the same information when completing the IPEDS Survey.

E2. In PART C of the PRETEST Survey (expenses, losses and other changes), we expected the following items to cause differences from amounts reported as functional expenditures reported in IPEDS Survey for 1996:

a. Depreciation included in PRETEST not in IPEDS
b. Interest expense included in PRETEST not in IPEDS
c. Scholarship expenses in IPEDS recognized as scholarship allowances in IPEDS
d. Pell and similar awards recognized in IPEDS only (agency transactions in PRETEST)
e. Mandatory and nonmandatory transfers recognized in IPEDS only
f. Current fund expenditures for capital assets recognized in IPEDS only.
g. Actuarial adjustments of annuity and trust obligations recognized in PRETEST only
h. Other losses, extraordinary items and special items recognized in PRETEST only

The above items could be identified using information provided in the PRETEST Survey. However, other differences are anticipated (such as expenses reported in PRETEST only because they were incurred in non-current groups and intra-organizational activity reported only in the IPEDS Survey) but the surveys do not provide the information needed for us to determine these amounts. Worksheet 2 provides our analysis of these anticipated differences between amounts reported in PART C of the PRETEST Survey and PART B of the IPEDS Survey by expense/expenditure function. Where we were able to account for these differences we have identified them on the worksheet. The remaining difference is displayed in the worksheet as "unexplained" in Worksheet Column 4. We need your assistance in accounting for these unexplained differences.

It is not necessary to reconcile to the dollar. Our objective is to identify differences that will be common to most institutions. In addition, we need to confirm that the differences identified in the remaining columns of the worksheet actually explain differences between how your institution would have completed the IPEDS Survey in prior years and how you completed the PRETEST Survey. Please review Worksheet 2 and help us to identify the differences between expenses/expenditures as reported on the two Surveys.

E2. ***(Other institutions)*** Your institution had no identified differences between the IPEDS Survey and the PRETEST Survey for expenses/expenditures. Please identify which of the following approaches you used when completing the Surveys:

______ Our institution's records provide information that permits us to complete the IPEDS Survey most easily. We used the same information when completing the PRETEST Survey.

______ Our institution's records provide information that permits us to complete the PRETEST Survey most easily. We used the same information when completing the IPEDS Survey.

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OMB No. 1850-0582: Approval Expires 04/30/98

FORM **IPEDS-F1A-TEST**
(9-3-96)

U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
ACTING AS COLLECTING AGENT FOR THE
U.S. DEPARTMENT OF EDUCATION
NATIONAL CENTER FOR EDUCATION STATISTICS

INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM

FINANCE SURVEY – Pretest Fiscal Year 1996

For a Sample of Private, Nonprofit Institutions

NOTE – The completion of this survey is voluntary and authorized by P.L. 103-382, National Education Statistics Act of 1994, Section 404(a).

For more information about this form, please contact Christina Briseno at the Bureau of the Census, 1-800-622-6193.

Date due: January 15, 1997

1. Name of respondent
2. Title of respondent
3. Telephone *(Area code, number, extension)*
4. FAX number
5. E-Mail address

Please correct any errors in the name, address, and ZIP Code.

RETURN TO

PURPOSE OF THE SURVEY

As a result of changes in accounting and financial reporting standards issued by the Financial Accounting Standards Board (FASB), it is necessary to change the IPEDS Form F1A. The National Center for Education Statistics (NCES), with the advice of the National Association of College and University Business Officers (NACUBO), has developed a form designed to collect important financial information which is consistent with FASB standards. The items recommended for collection are included in this form. The pretest survey will:

- Ensure that respondents can provide the information recommended for inclusion in the new IPEDS Finance Survey.
- Determine the burden imposed on institutions in providing the financial data.
- Ensure that the format, instructions, and definitions are clear and can be followed.

PLEASE COMPLETE THE FISCAL YEAR INFORMATION BELOW AND REFER TO THE INSTRUCTIONS AT THE BACK OF THIS FORM

This report covers financial activity for the 12-month fiscal year beginning

______________, 199___ **and ending** ______________, 199___ .

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1850-0852. The time required to complete this information collection is estimated to average 3 hours, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate or suggestions for improving this form, please write to:** U.S. Department of Education, Washington, DC 20202-4652. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to:**

National Center for Education Statistics
555 New Jersey Avenue, NW
Washington, DC 20208

Please read *the accompanying instructions before completing this survey form. Report data ONLY for the institution in the address label. If data for any other institutions or branch campuses are included in this report because they CANNOT be reported separately, please provide a list of these schools.*

The definitions and instructions for compiling IPEDS data have been designed to minimize comparability problems. However, postsecondary education institutions differ widely among themselves. As a result of these differences, comparisons of data provided by individual institutions may be misleading.

DO NOT RETURN INSTRUCTIONS

F1A-TEST

Part A – STATEMENT OF FINANCIAL POSITION

Line No.	Assets	Amount (whole dollars)
A01	Cash and cash equivalents *(From AA06)*	$
A02	Temporary investments	
A03	Accounts receivable (Net)	
A04	Government appropriations receivable	
A05	Accrued investment income receivable	
A06	Contributions receivable (Net)	
A07	Inventories	
A08	Prepaid expenses and deferred charges	
A09	Loans receivable (Net)	
A10	Long-term investment *(From AB05)*	
A11	Land, buildings, equipment (Net)	
A12	Other assets *(From AC07)*	
A13	**TOTAL ASSETS** *(Sum A01—A12)*	$

Line No.	Liabilities	Amount (whole dollars)
A14	Accounts payable	$
A15	Deferred revenues and refundable advances	
A16	Accrued liabilities	
A17	Amounts held on behalf of others	
A18	Long-term debt	
A19	Government grants refundable (Long-term)	
A20	Other liabilities *(From AD07)*	
A21	**TOTAL LIABILITIES** *(Sum A14—A20)*	$

Line No.	Net Assets (Equity)	Amount (whole dollars)
A22	Unrestricted – Undesignated	$
A23	Unrestricted – Designated	
A24	Unrestricted – Net investment in land, buildings, equipment	
A25	**TOTAL UNRESTRICTED** *(Sum A22—A24)*	$

Part A – STATEMENT OF FINANCIAL POSITION – Continued F1A-TEST

Line No.	Net Assets (Equity) – Continued	Amount (whole dollars)
A26	Restricted	$
A27	**TOTAL NET ASSETS** *(Sum A25 and A26)*	
A28	**TOTAL LIABILITIES AND NET ASSETS** *(Sum A21 and A27) This line should equal the TOTAL on line A13.*	$

Part A – SCHEDULES

Line No.	**Cash and Cash Equivalents (Schedule AA)** List amounts only if included in A01	Amount (whole dollars)
AA01	Cash held for loan programs	$
AA02	Cash held for endowment investment	
AA03	Cash held for investment in buildings	
AA04	Cash held for operating purposes	
AA05	Cash and cash equivalents held for other nonoperating purposes	
AA06	**TOTAL** *(Sum AA01—AA05; balance to line A01)*	$

Line No.	**Long-Term Investments (Schedule AB)** *Mark (X) **M** = Market value; **B** = Book value; **O** = Other*	M	B	O	Amount (whole dollars)
AB01	Marketable equity and debt securities				$
AB02	Other long-term investment assets *(Itemize)*:				
AB03					
AB04					
AB05	**TOTAL** *(Sum AB01—AB04; balance to line A10)*				$

Line No.	**Other Assets (Schedule AC)** *(Itemize)*	Amount (whole dollars)
AC01		$
AC02		
AC03		
AC04		
AC05		
AC06		
AC07	**TOTAL** *(Sum AC01—AC06; balance to line A12)*	$

Part A – SCHEDULES – Continued

Line No.	Other Liabilities (Schedule AD) *(Itemize)*	Amount (whole dollars)
AD01		$
AD02		
AD03		
AD04		
AD05		
AD06		
AD07	**TOTAL** *(Sum AD01—AD06; balance to line A20)*	$

Part B – REVENUES

Line No.	Source of funds		Amount (whole dollars) TOTAL (1)	Operating purposes (2)	Non-operating purposes (3)
B01	Net tuition and fees *(From BA09)*		$	$	$
	GOVERNMENT APPROPRIATIONS				
B02	Federal appropriations				
B03	Through State channels	$			
B04	State appropriations				
B05	Local appropriations				
	GOVERNMENT GIFTS, GRANTS, AND CONTRACTS				
B06	Federal gifts, grants, and contracts				
B07	State gifts, grants, and contracts				
B08	Local gifts, grants, and contracts				
	PRIVATE GIFTS, GRANTS, CONTRACTS, AND CONTRIBUTIONS				
B09	Private gifts, grants, and contracts				
B10	Contributions from affiliated entities				
	INVESTMENT INCOME				
B11	Income from long-term investments				
B12	Net realized gains (losses) on investments				
B13	Net unrealized gains (losses) on investments				
B14	Other investment income				

Part B – REVENUES – Continued

Line No.	Source of funds	Amount (whole dollars) TOTAL (1)	Operating purposes (2)	Non-operating purposes (3)
	OTHER REVENUE			
B15	Sales and services of educational activities	$	$	$
B16	Sales and services of auxiliary enterprises			
B17	Hospital revenue *(From BB08)*			
B18	Independent operations revenue			
B19	Other revenue or gains not reported above *(From BC08)*			
B20	**TOTAL REVENUES AND GAINS** *(Sum B01, B02, B04—B19)*	$	$	$

Part B – SCHEDULES

Line No.	**Net Tuition and Fees (Schedule BA)**	Amount (whole dollars) TOTAL (1)	Operating purposes (2)	Non-operating purposes (3)
BA01	Tuition and fees (Gross)	$	$	$
	DEDUCTIONS			
BA02	PELL grants *(Include here if classified as grant revenue. See Line BA10)*			
BA03	Other federal grants			
BA04	State grants			
BA05	Private grants			
BA06	Institutional grants (funded)			
BA07	Institutional grants (unfunded, tuition fees waived)			
BA08	**TOTAL DEDUCTIONS** *(Sum BA02—BA07)*	$	$	$
BA09	**TOTAL NET TUITION AND FEES** *(Line BA01 minus line BA08; balance to line B01)*	$	$	$
BA10	**PELL grants** *(Include here if classified as nongrant revenue from external parties, such as students, parents, etc. Do **not** deduct from tuition/fees.)*	$	$	$
BA11	**State grants** *(Include here if classified as nongrant revenue from external parties. Do **not** deduct from tuition/fees.)*			

Part B – SCHEDULES – Continued

Line No.	Hospitals Statement of Activity – Revenues by Source (Schedule BB)	Amount (whole dollars) TOTAL (1)	Operating purposes (2)	Non-operating purposes (3)
BB01	Federal appropriations	$	$	$
BB02	State appropriations			
BB03	Local appropriations			
BB04	Sales and services			
BB05	Gifts, grants, and contracts			
BB06	Investment income including investment gains and losses			
BB07	Other sources			
BB08	**TOTAL** *(Sum BB01—BB07; balance to line B17)*	$	$	$

Line No.	Other Revenues or Gains Statement of Activity – Revenues by Source (Schedule BC) *(Itemize)*	TOTAL (1)	Operating purposes (2)	Non-operating purposes (3)
BC01		$	$	$
BC02				
BC03				
BC04				
BC05				
BC06				
BC07				
BC08	**TOTAL** *(Sum BC01—BC07; balance to line B19)*			

Notes

Part C – EXPENSES BY FUNCTION, LOSSES AND OTHER CHANGES

F1A-TEST

Item	Line No.	Amount (whole dollars)		
		ENTITY TOTAL *(Sum 2—7)* (1)	Salaries and wages (2)	Benefits (3)
Instruction	**C01**	$	$	$
Research	**C02**			
Public service	**C03**			
Academic support	**C04**			
Student services	**C05**			
Institutional support	**C06**			
Auxiliary enterprises	**C07**			
Scholarships and fellowships	**C08**			
Hospital services	**C09**			
Independent operations	**C10**			
Operation and maintenance of buildings*	**C11**			
TOTAL PROGRAM EXPENSES *(Sum C01—C11)*	**C12**			
Adjustment for allocated O/M of buildings**	**C13**	Ø		
Adjusted total program expense *(Sum C12 and C13)*	**C14**			
Actuarial adjustment (loss) on annuity and other trust obligations	**C15**			
Losses, extraordinary items, other changes	**C16**			
TOTAL EXPENSES AND LOSSES *(Sum C14, C15, and C16)*	**C17**			

*Line C11 should be completed only if the cost of operation and maintenance has NOT been allocated to other functional categories in your general purpose financial statements. If operation and maintenance costs have been allocated by function, report in column 4. (Column 4 is NOT used if you have NOT allocated O/M costs to other functional categories.)

**Line C13 should be completed only if the cost of operation and maintenance has been allocated to other functional categories in your general purpose financial statements. Use line C13 to display the O/M expense in column 4 by the objects listed in columns 2, 3, 5, 6, and 7.

Refer to the instructions for more information.

Part C – EXPENSES BY FUNCTION, LOSSES AND OTHER CHANGES – Continued

Amount (whole dollars)

Line No.	O/M of Buildings* (4)	Depreciation (5)	Interest (6)	All other (7)	Current expenditures for buildings and equipment (8)
C01	$	$	$	$	$
C02					
C03					
C04					
C05					
C06					
C07					
C08					
C09					
C10					
C11					
C12					
C13	(________)				
C14	Ø				
C15					
C16					
C17					

NOTES

F1A-TEST

Part D – SUMMARY OF REVENUES, GAINS, EXPENSES AND LOSSES

Line No.	Item	TOTAL AMOUNT (whole dollars)
D01	Total revenues and gains *(from Part B, line B20, column 1)*	$
D02	Total expenses and losses *(from Part C, line C17, column 1)*	
D03	*Excess of revenues, gains over expenses (D01 minus D02)*	
D04	Adjustments to beginning net assets balance *(from DA06)*	
D05	Net assets (equity) beginning of the year	
D06	Net assets (equity) end of the year *(This amount should equal BOTH the amount entered on line A27 AND the sum of lines D03, D04, and D05.)*	

Line No.	Adjustments to beginning net asset balance (Schedule DA) *(Itemize)*	TOTAL AMOUNT (whole dollars)
DA01		$
DA02		
DA03		
DA04		
DA05		
DA06	**TOTAL ADJUSTMENTS** *(Sum DA01—DA05; balance to line D04)*	$

Part E – SUPPLEMENTAL INFORMATION

1. Has your institution implemented entity-wide financial accounting on an economic change basis as required by Statement 117 from the Financial Accounting Standards Board (FASB)?

1 ☐ Yes
2 ☐ No
3 ☐ Partly – *Please explain*

____

____

____

____

2. Is the Statement of Financial Position information requested in Part A readily available on an institution basis?

1 ☐ Yes
2 ☐ No – *Please explain*

____

____

____

F1A-TEST

Part E – SUPPLEMENTAL INFORMATION – Continued

Item	Amount (whole dollars)
3. Contributions receivable – *Please identify the amount of contributions receivable due in:*	
a. Less than one year	$
b. One to five years	
c. More than five years	
d. TOTAL *(Sum of a, b, and c should match amount on Part A, line A06)*	$

e. *Indicate the basis used for determination of the net contributions receivable above and the amount of the allowance for uncollectibles*

4. Land, buildings and equipment

a. *Summarize significant accounting principles of your institution's* ***capitalization policy***

b. Asset balances –	Basis of valuation	Amount (whole dollars)
(1) Land		$
(2) Buildings		
(3) Equipment		
(4) Other – *Specify*		

c. Accumulated depreciation – *Enter for each major class of land and equipment.*	
(1) Buildings	$
(2) Equipment	
(3) Other	
(4) **TOTAL DEPRECIATION**	$

Part E – SUPPLEMENTAL INFORMATION – Continued

F1A-TEST

Item	Method	Amount (whole dollars)
4. Land, buildings and equipment – Continued		
d. Annual depreciation – *Enter method and amount for each class of land and equipment.*		
(1) Buildings		$
(2) Equipment		
(3) Other		
(4) **TOTAL ANNUAL DEPRECIATION**		$

Item	Amount (whole dollars) Temporary	Amount (whole dollars) Permanent
5. Restricted net assets – *Indicate the amount of net assets at the end of the fiscal year by type of restriction.*		
a. For operating purposes	$	$
b. For buildings and equipment		
c. For long-term investment		
d. Subject to annuity trust agreements		
e. Other		
f. TOTAL RESTRICTED NET ASSETS *(Sum of a—e should match amount on Part A, line A26)*	$	$

Item	Amount
6. Investments – *Disclose the composition on investment return for:*	
a. Investment income	$
b. Net realized gains and losses on assets reported other than at fair value	
c. Net gains and losses on investment assets reported at fair value	
d. TOTAL return on investment *(Sum of a, b, and c should match amounts on Part B, lines B11, B12, and B13)*	$

7. Methods of expense allocation – *Describe the method used for allocating the following to the expense function categories in Part C.*

Depreciation

____

____

____

Maintenance and operation of buildings (if allocated to expense functions in the General Purpose Financial Statements)

____

____

Part E – SUPPLEMENTAL INFORMATION – Continued

7. Methods of expense allocation – Continued

Interest expense

Other non-operating expenses

Part F – RESPONDENT INFORMATION

	Number of person-hours
1. Burden hours – *Please provide the number of person-hours that it took for you to complete this form. Include time spent for reading and interpreting the instructions as well as the time spent retrieving information from your financial statements and entering it on the form.* →	

2. Were the items on this form consistent with your general purpose financial statements?

1 ☐ Yes
2 ☐ No – *Indicate which items were not consistent*

3. What were the most difficult parts of this form to complete?

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GENERAL INSTRUCTIONS - F1A-TEST

Please respond to each item on this report in the space provided. The asset, liability and equity classifications (Part A), the categories of revenues and gains (Part B), and the expense functions and object classifications (Part C) are designed to be consistent with general purpose financial statements based on an entity-wide measurement focus reporting economic changes using the accrual basis of accounting. For private institutions (FASB Statement of Accounting Standards number 117 institutions), the information should be consistent with amounts reported in the general purpose financial statements with any difference in entity-wide totals reported and explained in the activity summary (Part D - line D04). IN ALL CASES THE STARTING POINT FOR REPORTING SHOULD BE AMOUNTS REPORTED IN THE GENERAL PURPOSE FINANCIAL STATEMENTS. THE REPORTING ENTITY'S FINANCIAL ACCOUNTING POLICIES AND PROCEDURES SHOULD BE THE BASIS FOR REPORTING IN IPEDS.

Report all data in WHOLE DOLLARS only; omit cents. For any item on the report where exact data do not exist, give estimates.

PERIOD OF THE REPORT

Report finances for the most recent complete fiscal year at the bottom of the cover page of this form. Indicate the starting month (using 2 digits), starting year, ending month (using 2 digits), ending year of the fiscal year followed by your institution.

PART A - STATEMENT OF FINANCIAL POSITION

Please complete the items requested in the Part A supporting schedules (AA, AB, AC, and AD) and transfer this information to the appropriate lines in Part A before you begin work on Part A.

ASSETS

A01 - Cash and cash equivalents (Schedule AA) — Paragraph 8 of FASB Statement No. 95 defines cash and cash equivalents as short term, highly liquid investments that are (1) readily converted to known amounts of cash, and (2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Enter amounts for currency on hand and deposits held by financial institutions that can be added to or withdrawn without limitation, such as demand deposits. The total of Schedule AA should agree with the amount entered on line A01.

A02 - Temporary investments — Enter on this line amounts held as temporary investments. Temporary investments represent investments of cash not immediately required. Examples are U.S. Treasury bills, certificates of deposit, bankers acceptances, repurchase agreements and commercial paper. Temporary investments should be distinguished from long-term investments based on the intention of the organization regarding the intended term investment rather than the nature of the investment itself.

A03 - Accounts receivable (net) — Enter amounts receivable for billings for educational and general programs, auxiliary enterprise activities, hospital services and independent operations. Reimbursements due from affiliated organizations, amounts due on grants and contracts, claims against vendors, and advances to employees are other types of receivables. Accounts receivable from all sources other than governmental appropriations receivable (reported on line A04), accrued investment income receivable (reported on line A05) and contributions receivable (reported on line A06) should be reported on line A03. Amounts receivable should be reported net of an allowance for doubtful accounts.

A04 - Government appropriations receivable – Include **only amounts due from governments that were appropriated by a legislative body or local taxing authority.** Amounts due for governmental grants and contracts should be reported on line A03.

A05 - Accrued investment income receivable — Enter accrued investment income receivable on all investments (including loan programs). Include interest, dividend and other ordinary investment income accruals.

A06 - Contributions receivable (net) — Enter amounts receivable from unconditional promises to give (if recognized in your general purpose financial statements), net of the allowance for uncollectible amounts.

A07 - Inventories — Enter amounts for merchandise inventory held for resale, for example, items held for sale by a bookstore or a dining service. Include supplies and other inventoried items for internal use if recognized as an asset in the general purpose financial statements.

A08 - Prepaid expenses and deferred charges — Enter amounts prepaid or deferred that relate to future rather than to current period activities. Examples include rent, insurance, pension costs or other outflows applicable to future periods.

A09 - Loans receivable (net) — Enter the gross amount of loans receivable from the normal activities of the institution less an allowance for doubtful accounts.

A10 - Long-term investments (Schedule AB) — Enter the amount for all assets held for long-term investment. Provide the detail of the aggregate carrying amount by type of investment on Schedule AB and indicate the basis for determining the carrying amount for each type of investment (e.g., market value, book value or other).

A11 - Land, buildings, and equipment (net) — Enter the amount for the combined balances for land, buildings and equipment net of accumulated depreciation.

A12 - Other assets (Schedule AC) — Enter on this line the total of all recognized assets not reported on lines A01—A11 and itemize these assets and amounts on Schedule AC. Examples would be recognized collections or recognized beneficial interest in assets held subject to trust agreements where the institution is NOT acting as trustee.

A13 - Total assets — Enter the sum of lines A01—A12.

LIABILITIES

A14 -Accounts payable — Enter the total of accounts payable to suppliers.

A15 - Deferred revenues and refundable advances — Enter short-term deferrals including student deposits, advances from customers, government agencies, and others for specific activities that have not yet taken place. Advances from the Federal Government to be used to make loans to students should be excluded from this line and reported on line A19 (Government Grants Refundable). Short-term advances from third parties for services not yet performed and short-term advances on government grants or contracts, as well as refunds due third parties for amounts previously received should be included on this line.

A16 -Accrued Liabilities — Enter on this line amounts for accrued interest payable, salary and benefit accruals, and similar accrued expenses.

A17 - Amounts held on behalf of others — Enter agency obligations, the present value of beneficiary interests (i.e., liability) in assets held by the institution subject to trust agreements, annuity obligations, deferred compensation amounts and similar obligations recognized in the general purpose financial statements.

A18 - Long-term debt — Enter amounts for all long-term debt obligations including bonds payable, mortgages payable, and long-term notes payable.

A19 - Government grants refundable (long-term) — Enter the amounts advanced to the institution by a governmental entity for purposes of making loans to students (if recognized as a liability in the general purpose financial statements).

A20 - Other liabilities (Schedule AD) — Enter the total of all liabilities not included on lines A14—A19. Separately identify these liabilities by amount on Schedule AD. The total of Schedule AD should equal the amount reported on this line.

A21 - Total liabilities — This line should include the total of all liabilities listed on lines A14—A20.

NET ASSETS (EQUITY) - Net assets (equity) are 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 reported in Part B and Part C and summarized in Part D of this survey.

A22 - Unrestricted-undesignated — Enter on this line the amount of unrestricted net assets that are available for the general purposes of the institution. Exclude amounts specifically designated by the Board (reported on line A23) and the net investment in land, buildings and equipment (which should be reported on line A24).

A23 - Unrestricted-designated — Enter the total of net assets not subject to external restrictions which have been **designated** for specific purposes. Include amounts designated as quasi-endowment, for building additions and replacement, for debt service, for loan programs and similar designations which indicate resources are not intended to be available for operating purposes.

A24 - Unrestricted-net investment in land, buildings and equipment — Institutions should report the unrestricted portion of net investment in buildings less building related debt on this line.

A25 - Total unrestricted — Enter on this line the total of lines A22, A23, and A24.

A26 - Restricted — Enter the amount of all net assets that are subject to temporary and/or permanent donor/grantor restrictions which limit availability for expenditure. This includes permanent and term endowment, net assets held subject to trust agreements, and net assets restricted for loans. Combine amounts reported in the general purpose financial statements as temporarily and permanently restricted.

A27 - Total net assets — This line should equal the sum of line A25 and A26. The amount should agree with the total net assets reported on line D06 of Part D.

A28 - Total liabilities and net assets — Enter on this line the sum of items A21 and A27. This total should equal the total on line A13.

PART B - REVENUES AND GAINS BY SOURCE

All revenue and gain source categories are intended to be consistent with the definitions provided in Chapter 3 of the NACUBO Financial Accounting and Reporting Manual, 1990.

Exclude from revenues (and expenses) interfund or intraorganizational charges and credits.

Please complete the items requested in the Part B supporting schedules (BA, BB, and BC) and transfer this information to the appropriate lines in Part B before you begin work on Part B.

Column 1 - TOTAL AMOUNT — Enter in column 1 the total revenue and gains recognized in the general purpose financial statements using the source categories listed on lines B01 to B19.

Column 2 - Amount for operating purposes — Include all revenue and gains for the period which do not meet the definition for column 3 (see below).

Column 3 - Amount restricted for non-operating purposes — Enter the revenue and gains amounts by source for gifts, grants, appropriations and bequests restricted by donors or grantors for endowment, building or loan purposes either permanently or for a period of time. Donor or grantor restrictions include requirements such as the following:

- A specified or indefinite period of time must elapse (such as a term endowment or trust agreement) before principal becomes available for other restricted or unrestricted purposes.
- The principal must be maintained in perpetuity or investment gains must be added to endowment principal.
- Amounts must be used for the acquisition of land, buildings and equipment or permanently used for loan programs.

Do not include in this column restricted current funds revenues requested in previous IPEDS Finance surveys unless they are restricted by the donor or grantor for non-operating purposes. All other revenues and gains should be reported in column 2. Amounts entered in columns 2 and 3 should sum to amounts entered in column 1.

ALL hospital and clinic revenue and gains should be entered on line B17 and not included in the other revenue and gain source categories. See Line B17 (Schedule BB).

B01 - Net tuition and fees, (Schedule BA) — Enter tuition and educational fees net of Pell Grants, other federal grants such as SEOG's, state grants, private grants (unless such grants are treated as agency transactions), and institutional grants (donor funded and unfunded). Complete schedule BA to arrive at the net tuition and fee figure that should be reported on this line. The net figure on line B01 should be the actual amount of tuition and fees paid or due from external parties (students, parents, etc.). **Where federal and state grants such as Pell grants are treated as payments from external parties (rather than as grant revenue)** enter the amounts on lines 10 and 11 of Schedule BA and exclude these amounts from the determination of net tuition and fees on line 9 of Schedule BA. The total on line 9 of Schedule BA (gross tuition minus total deductions, provided the deductions are included in the total on line BA01) should be entered on line B01 of Part B.

GOVERNMENT APPROPRIATIONS

B02 - Federal appropriations — Enter on this line all amounts received from the Federal Government through a direct appropriation of Congress, except gifts, grants and contracts which should be reported on line B06. An example is federal land-grant appropriations. Federal appropriations received through state channels should be included on line B02 and also reported separately on line B03.

B03 - Through State channels — Federal appropriations received through state channels is a subset of line B02 as well as reported separately on line B03.

B04 - State appropriations — Enter on this line all amounts received from a state government through a direct appropriation of its legislature, except for state gifts, grants and contracts which should be reported on line B07. An example of a state appropriation that should be entered on line B04 is an annual state appropriation for operating expenses of the institution.

B05 - Local appropriations — Enter on this line all amounts received from a local government (i.e., city and/or county) through a direct appropriation of its legislative body. Do not include local gifts, grants and contracts which should be reported on line B08.

GOVERNMENT GIFTS, GRANTS, AND CONTRACTS

B06 - Federal gifts, grants and contracts — Enter on this line all revenues from federal agencies that are for specific undertakings such as research projects, training projects, and similar activities, including contributions from federal agencies. **If federal Pell and similar grants are treated in your general purpose financial statements as grant revenue, include them on this line. If they are treated as nongrant payments from external parties (students, parents, etc.), include these amounts on lines BA01, BA09 of schedule BA and B01 of Part B.**

B07 - State gifts, grants and contracts — Enter on this line all revenues from state agencies that are for specific undertakings such as research projects, training projects, and similar activities, including contributions from state agencies. If state grants for student tuition are treated in your general purpose financial statements as grant revenue, include these payments on this line.

B08 - Local gifts, grants and contracts — Enter on this line revenues from local agencies that are for undertakings such as research projects, training projects and similar activities, including contributions from local agencies. If local grants for student tuition assistance are treated in your general purpose financial statements as grant revenue, include these payments on this line.

PRIVATE GIFTS, GRANTS AND CONTRACTS

B09 - Private gifts, grants and contracts — Enter on this line revenues from private (non-governmental) entities including research or training projects and similar activities and all contributions except those entered on line B10.

B10 - Contributions from affiliated entities — Enter on this line all revenues received from non-consolidated affiliated entities, such as fund raising foundations, booster clubs, other institution-related foundations and similar organizations created to support the institution or organizational components of the institution.

INVESTMENT INCOME

B11 - Income from long-term investments — Report on this line all income, (i.e., interest, dividends, rents and royalties) from long-term investments regardless of the nature of the investment.

B12 - Net realized gains/losses on investments — Enter the net realized gain or loss resulting from the sale of assets held for long-term investment. Include on this line realized gains on endowment and similar types of long-term investments.

B13 - Net unrealized gains/losses on investments — Enter on this line the net appreciation or depreciation in long-term investments if your accounting policy for external reporting purposes is to carry certain long-term investments at fair value. Include only the amount recognized in your general purpose financial statements. If your policy is to carry investments at cost, do not report on this line.

B14 - Other investment income — Enter on this line all other investment income. This includes interest and dividends earned on the institution's short-term working cash pools, demand deposit accounts, and short-term investments in certificates of deposit and similar types of current investment vehicles where intended for the short-term investment of institutional resources. **Also include income from loan programs and net gains or losses from temporary investments.**

OTHER REVENUE

B15 - Sales and services of educational activities — Enter revenues derived from the sales of goods or services that are incidental to the conduct of instruction, research or public service. Examples include film rentals, scientific and literary publications, testing services, university presses, and dairy products.

B16 - Sales and services of auxiliary enterprises — Enter revenues generated by the auxiliary enterprise operations 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. Exclude any discounts (such as financial aid) provided to students for auxiliary enterprises from other sources of revenue.

B17 - Hospital revenue (Schedule BB) — Enter on this line the revenues and gains from hospitals operated by the institution. Complete Schedule BB listing all revenues and gains. The total of Schedule BB should be entered on line B17.

B18 - Independent operations revenue — Enter on this line all 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 profit (or loss) from operations owned and managed as investments of the institution's endowment funds.

B19 - Other revenue or gains not reported above (Schedule BC) — Enter on this line all revenue or gains not included on lines B01—B18. Complete Schedule BC identifying each type of revenue or gain. The total of Schedule BC should be entered on line B19.

B20 - Total revenues and gains — Enter on this line the sum of lines B01, B02 and B04—B19. Also, report this total in Part D, line D01.

PART C - EXPENSES BY FUNCTION, LOSSES AND OTHER CHANGES

Part C is intended to be all inclusive. All expenses and losses for the period should be entered. In accordance with FASB Statement 117, there have been major changes in how institutions should report expenses. These changes include:

- Exclusion of capital expenditures. Because expenses should now be based on economic change instead of on financial flows, capital expenditures should no longer be included. Capitalized buildings and equipment should be depreciated over their useful lives and reported in column 5 and included in column 1 (entity total expenses).
- Exclusion of mandatory and nonmandatory transfers. Due to the change in focus from current funds to entity-wide reporting, interfund transfers and intraorganizational charges and credits will not be included as additions or deductions.
- Only a part of the scholarship and fellowship payments reported in the past will continue to be included on the line for scholarships and fellowships. Amounts from Pell grants and other student discounts should NOT be reported on line C08.

Please refer to the specific instructions below for more information on these changes.

EXPENSES

All expenses are to be reported by expense function in column 1 using the function categories listed on lines C01 —C11. These categories are consistent with Chapter 3, of the NACUBO Financial Accounting and Reporting Manual, 1990. In addition, Part C provides an expense matrix which requires that each functional expense category (lines C01—C11) be displayed by specified object classifications (columns 2—7). The total of columns 2—7 for a given line should agree with the total for each expense function (line item) included in column 1.

Column 1 - Enter the total expense for each functional category listed on lines C01—C11.

Columns 2, 3, 5, 6 and 7 - These columns describe the nature of the expenses incurred in each functional category. Enter the total expense for each object classification identified in the column headings. In column 7 enter all other expense for each function such as expense for supplies, materials, insurance premiums, and purchased services. In completing columns 2—7 any interdepartmental or intraorganizational charges or expense allocations should be reported as follows:

- Report the object classification expense in the function in which the expense is initially incurred.
- In column 7 include the recovery as an offsetting reduction of expense in that functional category.

For example, all salaries and wages incurred in auxiliary enterprises should be included in column 2 line C07. If the dining hall performed a service for an instructional department on a contract basis, the expense for this service may be double-counted if it is entered as a contractual payment in column 7 of line C01. To eliminate this double-counting, the expense should also be included as a deduction (recovery) in column 7 of line C07. In this manner the sum of columns 2—7 should equal the total functional expense in column 1.

Column 4 - Complete column 4 only if you have allocated the cost of maintenance and operation (O/M) of buildings to the other functional categories in your general purpose financial statements. Column 4 is NOT used if you have NOT allocated O/M costs by function. After completing Column 4, use line C13 to display the cost of O/M of buildings entered in column 4 by the objects listed in columns 2, 3, 5, 6, and 7. Refer to the instructions for line C13.

Column 8 - Enter, the amount of the **current fund expenditures** for capitalized buildings and equipment (by function) for the reporting period. The amount reported in column 8 for each functional category should be obtained in the same manner as previously reported in the pre-FASB statement 117 "Statement of Changes in Current Fund Revenues, Expenditures and Other Changes." This amount should be separately reported in column 8 only and should **NOT** be included in any items in Parts C and D. This information is necessary to permit users of IPEDS survey data to link prior year expenditure data to amounts reported in Part C of the current fiscal year.

EXPENSES BY FUNCTION/PROGRAM

C01 - Instruction — Enter all 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. 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 entered on line C04. The instruction category includes general academic instruction, occupational and vocational instruction, special session instruction, community education, preparatory and adult basic education, and remedial and tutorial instruction conducted by the teaching faculty for the institution's students.

C02 - Research — Enter 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) on this line.

C03 - Public service — Enter all **expenses** 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 the particular sectors of the community. Include expenses for community services and cooperative extension services.

C04 - Academic support — Enter all **expenses** for support services that are an integral part of the institution's primary mission of instruction, research, or public service. Include expenses for libraries, museums, galleries, audio/visual services, academic development, and course and curriculum development. Include expenses for veterinary and dental clinics if their primary purpose is to support the institutional program.

C05 - Student services — Enter all **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, financial aid administration, and student health services (except when operated as a self-supporting auxiliary enterprise).

C06 - Institutional support — Enter all **expenses** for the day-to-day operational support of the institution. Include expenses for general administrative services, executive direction and planning, legal and fiscal operations, and public relations/development.

C07 - Auxiliary enterprises — Enter all **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.

C08 - Scholarships and fellowships — Enter on this line **ONLY** student aid expenses that represent payment outflows made by the institution to students in support of the total cost of education for those goods and services **NOT** provided by the institution. Examples include payments for services to third parties for off-campus housing or for the cost of board not provided by institutional contract meal plans. Student aid in the form of discounts or remission of tuition and fees or auxiliary service charges should **NOT** be included on this line. Tuition and educational fee discounts should be reported as a net reduction in revenue (unless discounts are treated in your general purpose financial statements as a transfer of assets in which the reporting entity is acting as an agent, trustee, or intermediary) on line B01. Discounts related to auxiliary services and the like should be reported net of the appropriate revenue source in Part B.

C09 - Hospital services — Enter on this line 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 building operations.

C10 - Independent operations — Enter on this line 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.

C11 - Operation and maintenance of buildings — Line C11 should be completed only if the cost of operation and maintenance of buildings has NOT been allocated to other functional categories in your general purpose financial statements. Enter all **unallocated expenses** for operations established to provide service and maintenance related to grounds and facilities. Also include expenses for utilities, fire protection, property insurance and similar items. Include non-current expenditures for buildings not capitalized. If expenses for operation and maintenance of buildings have not been allocated in your general purpose financial statements, do not use column 4. Column 4 should be completed only if allocated to other functional categories in the general purpose financial statements.

C12 - Total program expenses — Enter the sum of lines C01 to C11 for each column.

C13 - Adjustment for Allocated O/M of Buildings - Line C13 should be completed only if the cost of operation and maintenance of buildings has been allocated to other functional categories in your general purpose financial statements. Copy the amount in column 4, line C12, to column 4, line C13. This will bring the total O/M cost in line C14 to zero. Use line C13, columns 2, 3, 5, 6, and 7 to indicate the O/M cost by object, in effect distributing the cost in column 4 to the desired object classifications. When finished, the sum of line 13, columns 2—7 should equal zero.

C14 - Adjusted total program expense - Enter the sum of lines C12 and C13. The total for column 4 should equal zero.

C15 - Actuarial adjustment (loss) on annuity and other trust obligations — Enter the net adjustment to the beneficial interests of third parties relating to assets held subject to trust and annuity agreements.

C16 - Losses, extraordinary items and other changes — Enter losses other than investment losses (included in Part B), extraordinary items and other accounting changes consistent with what is reported in your general purpose financial statements. Include the net loss on disposal of land, buildings and equipment on this line.

C17 - Total expenses and losses — Enter the sum of lines C14—C16 and include the total on line D02 of Part D.

PART D - SUMMARY OF REVENUES, GAINS, EXPENSES AND LOSSES

Enter the totals from Part B and Part C. The amounts entered should reflect all economic changes reported for the fiscal period and agree with the change in total net assets (equity) displayed in the Statement of Financial Position (Part A).

D01 - Total revenues and gains — Enter the revenue and gains from Part B line B20.

D02 - Total expenses and losses — Enter the total expenses and losses from Part C line C17.

D03 - Excess of revenues and gains over expenses and losses — Subtract the amount on line D02 from D01 and enter the excess or (deficiency) on line D03.

D04 - Adjustments to net asset balances (Schedule DA) — Enter adjustments (if any) to the beginning net asset balances as reported in your general purpose financial statements and explain the nature and amount of such adjustments in Schedule DA.

Schedule DA should be completed to explain the nature of the adjustments to net assets (equity) and should display the amount of each type of adjustment. The total on line DA06 of Schedule DA should agree with the amount entered on line D04.

D05 - Net assets (equity) beginning of the year — Enter the amount of the total net asset (equity) at the beginning of the reporting period from your **general purpose financial statements**.

D06 - Net assets (equity) end of the year — Enter the sum of lines D03, D04, and D05. This amount should agree with the amount of total equity calculated in Part A line 27.

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OMB No. 1850-0582: Approval Expires 04/30/98

FORM **IPEDS-F-1A**
(6-1-96)

NOTE - The completion of this survey, in a timely and accurate manner, is **MANDATORY** for all institutions which participate or are applicants for participation in any Federal financial assistance program authorized by Title IV of the Higher Education Act of 1965, as amended. The completion of this survey is mandated by 20 U.S.C. 1094(a)(17).

For those institutions not required to complete this survey on the basis of the above requirements, the completion of this survey is voluntary and authorized by P.L. 103-382, National Education Statistics Act of 1994, Sec. 404(a).

U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
ACTING AS COLLECTING AGENT FOR THE
U.S. DEPARTMENT OF EDUCATION
NATIONAL CENTER FOR EDUCATION STATISTICS

INTEGRATED POSTSECONDARY EDUCATION DATA SYSTEM

FINANCE SURVEY FY 1996

Please read *the accompanying instructions before completing this survey form. Report data ONLY for the institution in the address label. If data for any other institutions or branch campuses are included in this report because they CANNOT be reported separately, please provide a list of these schools in the space provided on page 4.*

Please correct any errors in the name, address, and ZIP Code.

If there are any questions about this form, contact a Bureau of the Census IPEDS representative at (800) 622-6193 or FAX number (301) 457-1540, 7:30 a.m.—4:30 p.m. EST.

RETURN TO

Date due: January 15, 1997

1. Name of respondent	2. Title of respondent	3. Telephone Area code, number, extension
4. E-Mail address		FAX number

PURPOSE OF THE SURVEY

The primary purpose of this survey is to collect basic data to describe the financial condition of postsecondary education in the nation; to monitor changes in postsecondary education finance; and to promote research involving institutional financial resources and expenditures. The survey is being conducted in compliance with the Center's mission "to collect, analyze, and disseminate statistics and other information related to education in the United States . . . ," (P.L. 103-382, National Education Statistics Act of 1994, Sec. 404(a)).

USES OF DATA

Survey results will be used in a variety of ways. For example, they will be used, together with other data, to describe the condition of postsecondary education in the nation. The information will be summarized by various institutional categories to detect any changes over the years in the sources of revenues and types of expenditures. Results will allow institutions to compare their financial data to national averages. The data will also be merged with other institutional data, such as enrollment and completions, to provide a valuable national resource for institutional research.

Changes from the 1995 form for

1996 Finance Survey

- An additional form will be field tested in FY96 on a sample of private institutions. The field-test form will collect finance data using the entity-wide accounting model as required by the Financial Accounting Standards Board under statement of Financial Accounting Standard 117.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1850-0582. The time required to complete this information collection is estimated to vary from 30 minutes to 10.0 hours per response, with an average of 3.5 hours, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:** U.S. Department of Education, Information Management Team, Washington, DC 20202-4652. **If you have any comments or concerns regarding the status of *your individual submission* of this form, write directly to:**

National Center for Education Statistics/IPEDS
U.S. Department of Education
555 New Jersey Avenue, NW
Washington, DC 20208-5652

The definitions and instructions for compiling IPEDS data have been designed to minimize comparability problems. However, postsecondary education institutions differ widely among themselves. As a result of these differences, comparisons of data provided by individual institutions may be misleading.

DO NOT RETURN INSTRUCTIONS

F-1A

COMBINED DATA FOR MORE THAN ONE INSTITUTION OR BRANCH

Note: If the institution or administrative unit named on this report is including Finance survey data for other institutions or branches in this report — *List the following information for the additional institutions or branches.*

UNITID	Institution name	Address	City	State	ZIP Code

Notes *(Reference part, line, and column)*

F-1A

This form has been divided into two sections to facilitate reporting of financial data:

Section I: **Current Year Report — FY 1996** is to be completed by the respondent and returned to the address shown on the cover page. *Do **not** record data in shaded areas.*

Section II: **Prior Year Reported Data — FY 1995** is a copy of the data reported by your institution last year. Please use this as a reference for reporting FY 1996 data and keep it in your files with a copy of your FY 1996 submission.

Section I CURRENT YEAR REPORT — FY 1996

Part A — CURRENT FUNDS REVENUES BY SOURCE

This report covers finance activity for the 12-month fiscal year beginning

______, 199 ___ and ending ______, 199 ___.

Line No.	Source of funds		Amount (whole dollars)		
			Unrestricted (1)	Restricted (2)	TOTAL (3)
01	Tuition and fees		$	$	$
	Government appropriations				
02	Federal				
03	Through State channels	$			
04	State				
05	Local				
	Government grants and contracts				
06	Federal				
07	State				
08	Local				
09	Private gifts, grants, and contracts				
10	Endowment income				
11	Sales and services of educational activities				
12	Auxiliary enterprises				
13	Hospitals				
14	Other sources				
15	Independent operations				
16	**TOTAL CURRENT FUNDS REVENUES** *(Sum of lines 1, 2, 4—15)*		$	$	$

CURRENT YEAR REPORT – FY 1996 — Continued

Part B – CURRENT FUNDS EXPENDITURES BY FUNCTION

Line No.	Function of expenditures		Amount (whole dollars) Unrestricted (1)	Restricted (2)	TOTAL (3)	Amount for salaries and wages **without** employee fringe benefits (included in col. 3) (4)
	EDUCATIONAL AND GENERAL:		$	$	$	$
01	Instruction					
02	Research					
03	Public service					
04	Academic support					
05	Includes library expenditures of	$				
06	Student services					
07	Institutional support					
08	Operation and maintenance of plant					
09	Scholarships and fellowships — from Part E, line 7					
10	Mandatory transfers					
11	Nonmandatory transfers educational activities					
12	**TOTAL EDUCATIONAL AND GENERAL EXPENDITURES AND TRANSFERS** **For columns 1—3** — *(Sum of lines 1—4, 6—11)* **For column 4** — *(Sum of lines 1—4, 6—8)*		$	$	$	$
13	Auxiliary enterprises		$	$	$	$
14	Includes mandatory transfer of	$				
15	Includes nonmandatory transfer of	$				

Section I **CURRENT YEAR REPORT – FY 1996 — Continued** **F-1A**

Part B – CURRENT FUNDS EXPENDITURES BY FUNCTION – Continued

Line No.	Function of expenditures		Amount (whole dollars) Unrestricted (1)	Restricted (2)	TOTAL (3)	Amount for salaries and wages **without** employee fringe benefits (included in col. 3) (4)
16	Hospitals		$	$	$	$
17	Includes mandatory transfer of	$				
18	Includes nonmandatory transfer of	$				
19	Independent operations					
20	Includes mandatory transfer of	$				
21	Includes nonmandatory transfer of	$				
22	**TOTAL CURRENT FUNDS EXPENDITURES AND TRANSFERS** *(Sum of lines 12, 13, 16, and 19)*		$	$	$	$

Line No.	Function of expenditures	Employee compensation (4)
23	Total salaries and wages for E&G *(Sum of column 4, lines 1—4 and 6—8. See line 12.)*	$
24	Total E&G employee fringe benefits paid from institutional accounts	
	Total E&G employee fringe benefits paid from noninstitutional accounts:	
25	**Not included on line 12, column 3**	
26	**Included on line 12, column 3**	
27	**TOTAL E&G EMPLOYEE COMPENSATION** *(Sum of lines 23—26)*	$

Part C — CLARIFYING QUESTIONS REGARDING TOTAL E&G EXPENDITURES AND REVENUES

1. Institutional systems — Is this unit part of an institutional system?

1☐ Yes — **Are any costs for the operation of central administration included in this report?** ⟶ 1☐ Yes — *Enter amount* . . . . $

2☐ No

2☐ No

2. Tuition and fees

a. Tuition and fees *(Copy Part A, line 1, column 3.)* $

b. Tuition and fees collections (including remissions) used for purposes other than current operations (e.g., debt retirement, additions to plant) **REPORTED** in Part C, line 2a above. $

c. Tuition and fees collections (including remissions) used for purposes other than current operations (e.g., debt retirement, additions to plant) **not REPORTED** in Part C, line 2a above. $

d. TOTAL TUITION AND FEES *(a + c)* $

3. Intercollegiate athletics — Does this institution have an intercollegiate athletic program?

1☐ Yes — **It is funded through one or more of the following accounts —** *Mark (X) all that apply and enter dollar amount.*

Institutional accounts

3☐ Amount reported as part of Auxiliary enterprises (Part B, line 13) . . . . $

4☐ Amount reported as part of Instruction (Part B, line 1) . . . . $

5☐ Amount reported as part of Student services (Part B, line 6) . . . . $

Corporate or foundation account

6☐ Amount funded from a separate corporation or foundation . . . . $

2☐ No

4. Summer session(s)

a. Does your institution operate a summer session(s)?

1☐ Yes — **Does the summer session(s) operate independently of the main academic portion of the institution?** (For example, its academic mission may be significantly different, it may have its own admissions requirements, course offerings, completions requirements, and/or record keeping system.)

1☐ Yes — *Enter amounts* ⟶ Revenues . . . . $

Expenditures . . . . $

2☐ No

2☐ No — *SKIP to item 5*

b. Have you included the revenues in Part A (Current Funds Revenues by Source) of this form?

1☐ Yes
2☐ No

c. Have you included the expenditures in Part B (Current Funds Expenditures by Function) of this form?

1☐ Yes
2☐ No

Part C — CLARIFYING QUESTIONS REGARDING TOTAL E&G EXPENDITURES AND REVENUES — Continued

5. Excluded financial activities

Were there any financial activities involving the receipt of revenues or the expenditure of funds (e.g., receipt and expenditure of funds by a subentity of the institution) which were not included in either parts A or B above? Examples of subentities include: extension divisions or programs; agricultural experiment stations and extension services; and research laboratories.

a. ☐ Yes — *Enter amounts* ⟶ Revenues .... $

Expenditures .... $

List the types of subentities whose financial activities were not included in either part A or part B.

Type of subentity (1)	Financial activities excluded from — *Mark (X) all that apply.* Part A (2)	Part B (3)

b. ☐ No

6. Other exclusions — Are some educational and general expenditures paid from other than institutional sources so that they are NOT included in Part B? ⟶ 1 ☐ Yes — *Enter amount* .... $

2 ☐ No

7. Employee fringe benefits — From which of the following are employee fringe benefits paid?

Mark (X) only one.

1 ☐ All employee fringe benefits included on Part B, line 12, column 3 are charged against Institutional support (Part B, line 7) and NOT to the functional categories to which they are attributable

2 ☐ All employee fringe benefits included in Part B, line 12, column 3 are charged against attributable functional categories (i.e., Instruction, Research, Public service, Academic support, Student services, Operation and maintenance of plant, Part B, lines 1—4, 6 and 8) as well as to Institutional support (Part B, line 7)

8. Interest income and total gains (net of losses)

a. Revenues from other sources *(Copy Part A, line 14, column 3.)* $

b. Total interest income included on line 8a above $

c. Total gains (net of losses) included on line 8a above $

Part D - UTILITY EXPENDITURES

Line No.	Expenditures	Amount (whole dollars)
01	**TOTAL EXPENDITURES FOR UTILITIES** *(Exclude hospitals.)*	$

Part E — SCHOLARSHIP AND FELLOWSHIP EXPENDITURES
(To be completed by institutions responding to Part B, line 9)

Line No.	Source	Amount (whole dollars)		
		Unrestricted (1)	Restricted (2)	TOTAL (3)
	Federal government			
01	Pell Grants		$	$
02	Other Federal	$		
03	State government			
04	Local government			
05	Private			
06	Institutional			
07	**TOTAL SCHOLARSHIP AND FELLOWSHIP EXPENDITURES** *(Sum of lines 1—6; this total must equal corresponding totals on Part B, line 9, cols. 1—3)*	$	$	$

Part F — EXPENDITURES FOR ACQUISITIONS OF LIBRARY MATERIALS

Line No.	Expenditures	Amount (whole dollars)
01	Expenditures for library acquisitions, included in Part B, line 5	$
02	Expenditures for library acquisitions, NOT included in Part B, line 5	
03	**TOTAL EXPENDITURES FOR LIBRARY ACQUISITIONS** *(Sum of lines 1 and 2)*	$

Part G — INDEBTEDNESS ON PHYSICAL PLANT

Line No.	Balances and transactions	Amount (whole dollars)
01	Balance owed on principal at beginning of year	$
02	Additional principal borrowed during year	
03	Payments made on principal during year	
04	Balance owed on principal at end of year *(Line 1, plus line 2, minus line 3)*	$
05	Interest payments on physical plant indebtedness	$

Section I CURRENT YEAR REPORT - FY 1996 — Continued

F-1A

Part H - DETAILS OF ENDOWMENT ASSETS

Does this institution or any of its foundations or other affiliated organizations own endowment assets? - *Mark (X)*

1☐ Yes — *Continue reporting assets for all in Part H.*
2☐ No — *Do* ***not*** *complete Part H.*

Line No.	Balances and yield	Book value (1)	Market value (2)	Amount (3)
01	Value of endowment assets at the beginning of the fiscal year	$	$	
02	Value of endowment assets at the end of the fiscal year			
03	Endowment yield (dividends, interest, rents, royalties, etc.)			$
04	Endowment yield *(Line 3)* transferred to endowment fund			
05	Transfer from the endowment fund to the current fund *(only for those institutions employing the total return concept and spending rule)*			

Part I - SELECTED FUNDS BALANCES

Line No.	Funds	Amount
01	Current funds balance	$
02	Funds functioning as endowment balance	
03	Unexpended plant funds balance	
04	Funds for renewals and replacements balance	
05	Funds for retirement of plant debt balance	
06	**TOTAL** *(Sum of lines 1—5)*	$

FORM IPEDS F 1A (6 1 96)

Part J — HOSPITAL REVENUES
(To be completed by institutions responding to Part A, line 13)

Line No.	Source	Amount (whole dollars) Unrestricted (1)	Restricted (2)	TOTAL (3)
	Government appropriations			
01	Federal	$	$	$
02	State			
03	Local			
04	Sales and services			
05	All gifts, grants, and contracts			
06	Endowment income			
07	Other sources			
08	**Total** *(Sum of lines 1—7; this total must equal corresponding totals on Part A, line 13, columns 1—3)*	$	$	$

Part K – PHYSICAL PLANT ASSETS

Line No.	Type of asset	Book value at beginning of year (1)	Additions during year (2)	Deductions during year (3)	Book value at end of year (4)	Current replacement value (est.) (5)
01	Land	$	$	$	$	
02	Buildings					$
03	Equipment					

Notes

Section II PRIOR YEAR REPORTED FINANCE DATA — FY 1995 F-1A

DATA NOT AVAILABLE

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GENERAL INSTRUCTIONS — F-1A

Please respond to each item on this report in the space provided. The Glossary provides definitions of terms used in this report. The categories of current funds revenues (part A), current funds expenditures (part B), and the statement of selected funds balances (part I) are designed to be consistent with an audited financial statement, with definitions in **Financial Accounting and Reporting Manual for Higher Education** (published in 1990 by the National Association of College and University Business Officers) and with **Audits of Colleges and Universities** (amended in 1975) by the American Institute of Certified Public Accountants.

Numbers in parentheses at the end of paragraphs refer to pages in **Financial Accounting and Reporting Manual for Higher Education.**

Include medical school revenues and expenditures as appropriate. Exclude hospital revenues and expenditures except as directed for part A, line 13; part B, lines 16–18; and part J.

Report all data in WHOLE DOLLARS only; omit cents. For any item on the report where exact data do not exist, give estimates. Items are cited by column and line number.

A blue form containing prior year data is included in your packet. The prior year data may have been adjusted by IPEDS processing staff to resolve errors detected during the edit process. If you did not respond to last year's survey, the prior year information may have been imputed based on data reported by similar institutions in your region.

Please do not return the prior year data section or the instructions with your FY 1996 report.

INSTITUTIONAL IDENTIFICATION

Make any necessary corrections to the preprinted address information in the space provided on the front page of this report. Enter the name, title, and area code and telephone number of the person responsible for completing the report.

COMBINED DATA FOR MORE THAN ONE CAMPUS OR INSTITUTION

If data for more than one campus or more than one institution are being reported on this survey form, use the table on page 4 of the survey form to list information which identifies all campuses and institutions which are included.

PERIOD OF THE REPORT

Report finances for the most recent complete fiscal year. Indicate the starting month (using 2 digits), starting year, ending month (using 2 digits), and ending year of the fiscal year followed by your institution.

PART A — CURRENT FUNDS REVENUES BY SOURCE

Unrestricted current funds — Resources received by an institution that have no limitations or stipulations placed on them by external agencies or donors.(302)

Restricted current funds — Resources provided to an institution that have externally established limitations or stipulations placed on their use. Externally imposed restrictions are to be contrasted with internal designations imposed by the governing board on unrestricted funds.(209, 215, 302)

Current funds revenues — Include **(1)** all unrestricted gifts, grants, and other resources earned during the reporting period, and **(2)** restricted resources to the extent that such funds were expended for current operating purposes. Current funds revenues do not include restricted current funds received but not expended because these revenues have not been earned.(310)

Source of funds

Line 1 - Tuition and fees — Report all tuition and fees (including student activity fees) assessed against students for education purposes. Include tuition and fee remissions or exemptions even though there is no intention of collecting from the student. Include here those tuitions and fees that are remitted to the State as an offset to the State appropriation. (Charges for room, board, and other services rendered by auxiliary enterprises are not reported here, see line 12.)(311)

Lines 2–5 - Government appropriations — Include all amounts received by the institution through acts of a legislative body, except grants and contracts. These funds are for meeting current operating expenses, not for specific projects or programs. An example is Federal land-grant appropriations (line 2). Pell Grants are not reported here, but on line 6, as they are grants, not appropriations. Federal appropriations received through State channels is a subset of line 2 and should be included on line 2 for Federal appropriations, as well as reported separately on line 3.(312)

Lines 6–8 - Government grants and contracts — Report revenues from governmental agencies that are for specific research projects or other types of programs. Examples are research projects, training programs, and similar activities for which amounts are received or expenditures are reimbursable under the terms of a government grant or contract. Related indirect costs recovered should be reported as unrestricted revenues (column 1). Amounts equal to direct costs incurred should be recorded as charges against current restricted funds and reported as restricted current funds revenues (column 2). Include Pell Grants on line 6, column 2. Federal grants and contracts received through State channels should be reported on line 6.(313)

Line 9 - Private gifts, grants, and contracts — Report revenues from private donors for which no legal consideration is involved and private contracts for specific goods and services provided to the funder as stipulation for receipt of the funds. Include only those gifts, grants, and contracts that are directly related to instruction, research, public service, or other institutional purposes. Monies received as a result of gifts, grants, or contracts from a foreign government should be reported here. Include the estimated dollar amount of contributed services on this line.(314,430)

REMOVE INSTRUCTIONS BEFORE MAILING AND RETAIN FOR YOUR FILES.

PART A — CURRENT FUNDS REVENUES BY SOURCE — Continued

Line 10 - Endowment income — Report **(1)** the unrestricted income of endowment and similar funds; **(2)** restricted income of endowment and similar funds to the extent expended for current operating purposes; and **(3)** income from funds held in trust by others under irrevocable trusts. Do not include capital gains or losses unless the institution has adopted a spending formula by which it expends not only the yield but also a prudent portion of the appreciation of the principal; in this case, the amount calculated by the total return concept would be reported. If any such gains are spent for current operations, these should be treated as transfers, not revenues. Exclude endowment income for hospitals. (315,359,360)

Line 11 - Sales and services of educational activities — Report revenues derived from the sales of goods or services that are incidental to the conduct of instruction, research or public service. Examples include film rentals, scientific and literary publications, testing services, university presses, and dairy products.(316)

Line 12 - Auxiliary enterprises — Report revenues generated by the auxiliary enterprise operations 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.(317)

Line 13 - Hospitals — Include a hospital operated by the institution and clinics associated with training. Include gifts, grants, appropriations, research revenues, and endowment income. Exclude clinics that are part of the student health services program. Include all amounts appropriated by governments (Federal, State, local) for the operation of hospitals. (Sales and services revenues should be net of discounts and allowances. Hospital revenues included here should also be reported in part J.)(318) Exclude medical schools.

Line 14 - Other sources —Include all revenues not covered elsewhere. Examples are interest income and gains (net of losses) from investments of unrestricted current funds, miscellaneous rentals and sales, expired term endowments, and terminated annuity or life income agreements, if not material. Include 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). Such sales should not be confused with those on line 11, which are typically by-products of instruction or training.(319)

Line 15 - Independent operations — Include all 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.(320)

Line 16 - Total current funds revenues — Report here the sum of lines 1, 2, and 4 through 15, inclusive.

PART B — CURRENT FUNDS EXPENDITURES BY FUNCTION

Current funds expenditures and transfers — The costs incurred for goods and services used in the conduct of the institution's operations. They include the acquisition cost of capital assets, such as equipment and library books, to the extent current funds are budgeted for and used by operating departments for such purposes.(330)

Column 4 - Salaries and wages without employee fringe benefits — Report the amount of total expenditures for salaries and wages. Include the salaries and wages of all personnel, full- and part-time, paid through each functional account. Do not include any expenditures for College Work Study or for employee fringe benefits as part of salary expenditures. Expenditures for employee fringe benefits are to be reported on lines 24–26, column 4. Note that in part B the amounts reported for salaries and wages in column 4 are to be included in columns 1–3.

Employee fringe benefits — Excludes the employee's contribution. Employee fringe benefits include 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.

Functions of expenditures

Line 1 - Instruction — Expenditures of the colleges, schools, departments, and other instructional divisions of the institution and expenditures for departmental research and public service that are not separately budgeted should be included in this classification. Include expenditures for both credit and noncredit activities. Exclude expenditures for academic administration where the primary function is administration (e.g., academic deans). (Such expenditures should be reported on line 4.) The instruction category includes general academic instruction, occupational and vocational instruction, special session instruction, community education, preparatory and adult basic education, and remedial and tutorial instruction conducted by the teaching faculty for the institution's students.(332)

Line 2 - Research — This category includes all funds expended 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).(333)

Line 3 - Public service — Report all funds budgeted specifically for public service and expended 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.(334)

Lines 4 and 5 - Academic support — This category includes expenditures for the support services that are an integral part of the institution's primary mission of instruction, research, or public service. Include expenditures for libraries (required separately on line 5), museums, galleries, audio/visual services, academic computing support, ancillary support, academic administration, personnel development, and course and curriculum development. Include expenditures for veterinary and dental clinics if their primary purpose is to support the institutional program. (Include line 5 expenditures in the line 4 total for academic support.)(335)

Line 6 - Student Services — Report funds expended 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, financial aid administration, and student health services (except when operated as a self-supporting auxiliary enterprise). Include the administrative allowance for Pell Grants.(336)

Line 7 - Institutional support — Report expenditures for the day-to-day operational support of the institution, excluding expenditures for physical plant operations. Include expenditures for general administrative services, executive direction and planning, legal and fiscal operations, and public relations/development.(337)

Line 8 - Operation and maintenance of plant — Report all expenditures for operations established to provide service and maintenance related to grounds and facilities used for educational and general purposes. Also include expenditures for utilities, fire protection, property insurance, and similar items. Do not include expenditures made from the institutional plant funds account.(338)

Line 9 - Scholarships and fellowships — Report all expenditures given in the form of outright grants and trainee stipends to individuals enrolled in formal course work, either for credit or noncredit. Aid to students in the form of tuition or fee remissions should be included. (Exclude those remissions that are granted because of faculty or staff status. Charge these to staff benefits.) Do not report College Work Study program expenses here; report these expenses where the student served (e.g., dining hall, line 13; for a professor, line 1). Include Pell Grants in column 2. (Additional information on scholarships and fellowships included here should also be reported in part E. It is advisable to complete part E before filling out part B, as the total on line 9 of part B should match line 7 of part E.)(339)

Line 10 - Mandatory transfers — Mandatory transfers from current funds are those that must be made in order to fulfill a binding legal obligation of the institution. Report mandatory debt-service provisions relating to academic and administrative buildings, including **(1)** amounts set aside for debt retirement and interest; and **(2)** required provisions for renewal and replacements to the extent not financed from other sources. Include also the institutional matching portion for Perkins Loans when the source of funds is current revenue. (Do not report transfers into the current fund i.e., negative numbers.)(340)

Line 11 - Nonmandatory transfers — Include those transfers from current funds to other fund groups made at the discretion of the governing board to serve a variety of objectives, such as additions to loan funds, funds functioning as endowment, general or specific plant additions, voluntary renewals and replacement of additions, voluntary renewals and replacement of plant, and prepayments on debt principal.(341)

Line 12 - Total educational and general expenditures and transfers — For columns 1—3, enter here the sum of lines 1-4 and 6-11. For column 4, enter the sum of lines 1—4 and 6—8. Additional information for employee fringe benefits included here should also be reported on line 24 and/or line 26 and in part C, question 7.

Line 13 - Auxiliary enterprises — This category includes those 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. (Include the mandatory and nonmandatory transfers amounts on lines 14 and 15 in the line 13 amount for columns 1—3 only.)(342)

Line 14 - Mandatory transfers for auxiliary enterprises — Report the amount transferred from current funds for mandatory debt service provisions relating to auxiliary enterprises. Examples include maintenance reserves.(340)

Line 15 - Nonmandatory transfers for auxiliary enterprises — Report the amount transferred from current funds for nonmandatory debt service provisions relating to auxiliary enterprises.(341)

Line 16 - Hospitals — Report all expenditures 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. If the institution accounts for depreciation under FASB Standard No. 93, such depreciation should be accounted for here. (Include the mandatory and nonmandatory transfers amounts on lines 17 and 18 in the line 16 amount for columns 1—3 only.)(343)

Line 19 - Independent operations — Include all funds expended 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 expenditures of major Federally funded research and development centers. Do not include the expenditures of operations owned and managed as investments of the institution's endowment funds. (Include the mandatory and nonmandatory transfers amounts on lines 20 and 21 in the line 19 amount for columns 1—3 only.)(344)

Line 22 - Total current funds expenditures and transfers — Report the sum of lines 12, 13, 16, and 19.

Line 23 - Total salaries and wages for E&G — Report total current funds expenditures for salaries and wages. This is the sum of column 4, lines 1-4 and 6-8.

Line 24 - Total E&G employee fringe benefits paid from institutional accounts — Report the portion of benefits paid from institutional accounts on line 24. If no employee benefits are paid through institutional accounts, report a zero here. Additional information on employee fringe benefits included here should also be reported in part C, question 7.

Line 25 - Total E&G employee fringe benefits paid from noninstitutional accounts (not included on line 12, column 3) — Report the portion of benefits paid from noninstitutional accounts that are not included on line 12, column 3.

Line 26 - Total E&G employee fringe benefits paid from noninstitutional accounts (included on line 12, column 3) — Report the portion of benefits paid from noninstitutional accounts that is included on line 12, column 3. Additional information on employee fringe benefits included here should also be reported in part C, question 7.

Line 27 - Total E&G employee compensation — Report total current funds expenditures for compensation. This is the sum of total salaries and wages (line 23) and total employee fringe benefits (lines 24-26). Additional information on employee fringe benefits included here should also be reported in part C, question 7.

PART C — CLARIFYING QUESTIONS REGARDING TOTAL E&G EXPENDITURES AND REVENUES

Questions in part C request information on expenditures and revenues from accounts not always controlled by the reporting institution. These clarifying questions are primarily intended to identify categories where expenditures may be made for the institution over which the institution has no control and which may not be included in the E&G expenditures report. In contrast, an **institutional account** is one in which the institution maintains fiscal control of revenues or expenditures and has full knowledge of the amounts flowing through the account.

Item 1 - Institutional systems — Indicate if the institution is part of a system and, if it is, whether any costs for the operation of the central administration are included in this report.

PART C — CLARIFYING QUESTIONS REGARDING TOTAL E&G EXPENDITURES AND REVENUES — Continued

Item 2 - Tuition and fees — If any amount of tuition and fees (including remissions) is dedicated to a purpose other than operations (e.g., debt retirement, additions to plant), specify the amount.

Item 3 - Intercollegiate athletics — Indicate how intercollegiate athletics are funded, and if included in the expenditures report, under which function they are included.

Item 5 - Excluded Financial Activities — Indicate whether revenues or expenditures of subentities of the institution have been excluded from Parts A and/or B. If "Yes," indicate the total amount(s) excluded, the type of the subentity(ies) for which exclusions have occurred, and from which Part(s) the amounts were excluded.

Item 6 - Other exclusions — Report if there are other exclusions in the expenditures report, and if so, the amount.

Item 7 - Employee fringe benefits — These questions refer to the total employee fringe benefits reported in part B, line 24 or line 26. Indicate where employee fringe benefits included in part B, line 12, column 3 are charged.

PART D — UTILITY EXPENDITURES

Line 1 - Total expenditures for utilities — Report all expenditures for utilities in the operation and maintenance of plant, auxiliary enterprises, and independent operations. Exclude expenditures for hospitals.(338) Utilities include expenditures for electricity, gas, fuel oil, coal, water, sewerage, etc., used to provide heat, air conditioning, water, and sewerage to institutional facilities. Expenditures for telephones and telephone services should not be included. If power is generated by the institution's own power plant, include the operating costs here.

PART E — SCHOLARSHIP AND FELLOWSHIP EXPENDITURES (To be completed by institutions responding to part B, line 9.)

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 student loans. Remission of tuition in exchange for a service such as teaching should be classified as an instruction expenditure. However, remission of tuition because of faculty status or a family relationship should be categorized as a fringe benefit. Exclude college work study funds.

Line 1 - Federal government/Pell Grants — Report the amount of Pell Grants disbursed by your institution.

Line 2 - Federal government/other Federal — Report expenditures for scholarships and fellowships, excluding Pell Grants, that were received 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).

Line 3 - State government — Report expenditures for scholarships and fellowships that were provided 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.

Line 4 - Local government — Report expenditures for scholarships and fellowships that were provided by local governments.

Line 5 - Private — Report expenditures for scholarships and fellowships received from private sources (e.g., businesses, foundations, individuals, foreign governments).

Line 6 - Institutional — Report expenditures for scholarships and fellowships from revenues that were generated by your institution. The institutional matching portion of Federal, State or local grants should be reported here.

Line 7 - Total scholarship and fellowship expenditures — Report the total expenditures for scholarships and fellowships. This is the sum of lines 1–6. The totals on this line must equal the corresponding totals on part B, line 9, columns 1–3. Also, Federal, State and local scholarships and fellowships should be included in part A, lines 6–8, column 2.

PART F — EXPENDITURES FOR ACQUISITIONS OF LIBRARY MATERIALS

Line 1 - Expenditures for library acquisitions included on part B, line 5 — Report expenditures for acquisitions of library materials that are included in part B, line 5 (current funds expenditures). Library acquisitions include all print material, microfilm, microfiche, audio-visual materials such as records and films, and computer software. Do not include expenditures for hardware of any kind. For example, do not include expenditures for computer terminals, microfiche readers, record players, or projectors.

Line 2 - Expenditures for library acquisitions not included in part B, line 5 — Report all other expenditures (capital funds) for acquisitions of library materials (excluding land and buildings) not reported in part B, line 5.

Line 3 - Total expenditures for library acquisitions — Report the total expenditures for acquisitions of library materials, both current funds and capital funds (excluding land and buildings). This is the sum of lines 1 and 2.

PART G — INDEBTEDNESS ON PHYSICAL PLANT

Report data on indebtedness liability against the physical plant. Include auxiliary enterprises facilities as well as educational and general facilities. Exclude debt issued and backed by the state government.

Line 1 - Balance owed on principal at beginning of year — Balance owed on indebtedness principal at the beginning of the year is that amount shown in the liability section of the plant fund balance sheet.

Line 2 - Additional principal borrowed during year — Additional principal borrowed during the year includes loans negotiated through bonds, mortgages, notes, or any other type of financing (including short-term notes) and amounts borrowed from other institutional funds for physical plant.

Line 3 - Payments made on principal during year — Payments on plant loans principal during the year is the amount used to reduce the principal of loans, regardless of the source of funds.

Line 4 - Balance owed on principal at end of year — Balance owed on indebtedness principal at the end of the year is that amount shown in the liability section of the plant fund balance sheet. It is the sum of line 1 plus 2, less line 3.

Line 5 - Interest payments on physical plant indebtedness — Report the total interest charges paid during the fiscal year on physical plant indebtedness. Exclude principal repayments (see line 3).

PART H — DETAILS OF ENDOWMENT ASSETS

Report the amounts of gross investments of endowment, term endowment, and funds functioning as endowment for the institution and any of its foundations and other affiliated organizations.(444) DO NOT reduce investments by liabilities for part H. (Part I requests endowment funds net of liabilities and, therefore, may be different from the totals reported for part H.)(355-360)

IN THE AREA ABOVE LINE 01 OF THIS PART, MARK (X) THE APPROPRIATE BOX TO INDICATE IF YOUR INSTITUTION OR ANY OF ITS FOUNDATIONS OR OTHER AFFILIATED ORGANIZATIONS OWN OR DO NOT OWN ENDOWMENT ASSETS. ALL INSTITUTIONS ARE TO COMPLETE THIS QUESTION.

Line 1 - Value of endowment assets at the beginning of the fiscal year — If the market value of some investments is not available, use whatever value was assigned by the institution in reporting market values in the annual financial report.

Line 3 - Endowment yield (dividends, interest, rents, royalties, etc.) — Yield includes all earnings (not realized gains) on investments of endowments, regardless of distribution made of the earnings to various institutional funds. Interest, dividends, and amortization of purchased discounts and premiums should be included. This figure should be identical to the endowment yield figure reported in the audited general purpose financial statements.

Line 4 - Endowment yield transferred to endowment fund — Report here endowment yield not retained in current funds but transferred to the endowment fund. Excess yield is the endowment income earned over and above the amount authorized to spend under a "spending rule".(359)

Line 5 - Transfers from the endowment fund to the current fund — The amount representing the portion of capital gains allocated to spend for those institutions employing the total return method.

PART I — SELECTED FUNDS BALANCES

Selected funds balances should include both unrestricted and restricted funds balances. Expendable funds balances are assets minus liabilities in each fund group. Report balances as of the end of your institution's fiscal year.

Line 1 - Current funds balance — Current funds are those economic resources expendable for carrying out the primary purposes of colleges and universities: instruction, research, and public service.(301)

Line 2 - Funds functioning as endowment balance — Sometimes referred to as quasi-endowment funds. Otherwise spendable resources that have been invested because of internal decisions of the institution's governing board or, through delegation from the board, by management. Funds functioning as endowment are nonmandatory transfers from current funds rather than a direct addition to endowment and similar funds, as occurs for the true endowment categories.(358)

Line 3 - Unexpended plant funds balance — Unexpended resources derived from various sources to finance the acquisition of long-lived plant assets and the associated liabilities.

Assets of this subgroup may consist of cash, investments, accounts receivable, amounts due from other fund groups, and construction in progress. Liabilities may consist of accounts, bonds, notes, mortgages, and leaseholds payable, as well as amounts due to other fund groups.(382)

Line 4 - Funds for renewals and replacements balance — The resources of this subgroup provide for the renewal and replacement of plant fund assets as distinguished from additions and improvements to plant. In general, an improvement constitutes the removal of a major part or component of a building or piece of equipment and the substitution of a different part or component with improved or superior operating capabilities. A renewal or replacement, on the other hand, involves the removal of a major part or component of a building or piece of equipment and the substitution of a different part or component of essentially the same type and with the same performance capabilities as what was removed.

Assets of this subgroup may include cash, investments, deposits with others, amounts due from other fund groups, and construction in progress. Liabilities may consist of accrued liabilities; accounts, notes, and bonds payable; and amounts due to other fund groups.(383)

Line 5 - Funds for retirement of plant debt balance — These funds are used to account for the accumulation of resources for interest and principal payments and other debt service charges, including contributions for sinking funds, relating to plant fund indebtedness.

Assets of this subgroup may include cash, investments, deposits with others, accounts and notes receivable, and amounts due from other fund groups. Liabilities may consist of accruals and accounts payable for trustees' fees and other debt service charges, as well as amounts due to other fund groups.(384)

PART J — HOSPITAL REVENUES (To be completed by institutions responding in part A, line 13)

This section requests detail on hospital revenues reported in Part A, line 3. If the institution has fiscal control over a major public service hospital, (not medical school), the revenues for, or generated by, such a hospital should be reported here.

Line 1 - Federal appropriations — Report the amount appropriated by the Federal government for the operation of a hospital.

Line 2 - State appropriations — Report the amount appropriated by the State government for the operation of a hospital.

Line 3 - Local appropriations — Report the amount appropriated by the local government for the operation of a hospital.

Line 4 - Sales and services — Report revenues (net of discounts, allowances, and provisions for doubtful accounts) generated by hospitals from daily patient, special, and other services. Revenues of health clinics that are part of a hospital should be included in this category, unless such clinics are part of the student health services program.

Line 5 - All gifts, grants, and contracts — Report the sum of gifts, grants, and contracts provided by governmental agencies, private sources (businesses, foundations, individuals), and foreign governments that were for the operation of a hospital. Include the estimated dollar amount of contributed services on this line.(430)

Line 6 - Endowment income — Report that portion of endowment income (Included in part A, line 13) that is for the operation of a hospital.

Line 7 - Other sources — Report all revenues or items not covered elsewhere.

Line 8 - Total — Report the total hospital revenues. This is the sum of lines 1-7. The totals on this line must equal the corresponding totals in part A, line 13, columns 1-3.

PART K — PHYSICAL PLANT ASSETS

Assets may consist of land, buildings, improvements other than buildings, equipment, and library books. Report the values of land, buildings, and equipment owned, rented, or used by the institution. Do not include those plant values which are a part of endowment or other capital fund investments in real estate. Data for the institution that are not kept on the books of account of the institution, but are kept in the records of another organization or agency for the institution should be included (e.g., State schools should report physical plant assets even though the records are maintained by a State agency). Exclude construction in progress; report completed buildings as additions when accepted.(385)

Column 1 - Book value at beginning of year — Book value of the plant at the beginning of the fiscal year is intended as the dollar amount of value as shown on the institution's accounting records. Book value for institutional plant assets is the purchase or construction cost of purchased or constructed assets or the market price at the time of the gift for donated assets. If the institution accounts for depreciation under FASB Standard No. 93, such depreciation should be taken into account when calculating book value for part K.

Note — Part K requests only the book value of the assets (gross book value), not book value net of any liabilities (mortgages, notes outstanding).

Column 2 - Additions during year — Additions during the year are additions to the plant made through purchases, by gifts-in-kind from donors, and from other additions. Exclude construction in progress.

Column 3 - Deductions during year — Deductions from the plant are deductions resulting from selling, razing, fire, and other hazards, or other disposition of assets.

Column 4 - Book value at end of year — Book value of the plant at the end of the fiscal year is the dollar amount of value as shown on the institution's accounting records. Column 4 is the sum of columns 1 and 2, less column 3.

Column 5 - Current replacement value (est.) — Report or estimate the current costs to replace all buildings and equipment owned, rented, or used by the institution. Report recent appraisal value or what is currently carried as insurance replacement value. Do not include the replacement value of those buildings that are part of endowment of other capital fund investments in real estate. This figure is not a book value figure.

GLOSSARY
FINANCE SURVEY — F-1A

CURRENT FUNDS EXPENDITURES AND TRANSFERS — The costs incurred for goods and services used in the conduct of the institution's operations. They include the acquisition costs of capital assets, such as equipment and library books, to the extent current funds are budgeted for and used by operating departments for such purposes.(330)

CURRENT FUNDS REVENUES - This includes **(1)** all unrestricted gifts, grants, and other resources earned during the reporting period and **(2)** restricted resources to the extent that such funds were expended for current operating purposes. Current fund revenues do not include restricted current funds received but not expended because these revenues have not been earned.(310)

EMPLOYEE FRINGE BENEFITS — Cash contributions in the form of supplementary or deferred compensation other than salary. Exclude the employee's contribution. Employee fringe benefits include 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.

RESTRICTED CURRENT FUNDS — Those funds available for financing operations but which are limited by donors or other external agencies to specific purposes, programs, departments, or schools. Externally imposed restrictions are to be contrasted with internal designations imposed by the governing board on unrestricted funds.

UNRESTRICTED CURRENT FUNDS — All funds, including institutional funds, received for which no stipulation was made by the donor or other external agency as to the purpose for which the funds should be expended.

Listing of NCES Working Papers to Date

Please contact Ruth R. Harris at (202) 219-1831
if you are interested in any of the following papers

Number	Title	Contact
94-01 (July)	Schools and Staffing Survey (SASS) Papers Presented at Meetings of the American Statistical Association	Dan Kasprzyk
94-02 (July)	Generalized Variance Estimate for Schools and Staffing Survey (SASS)	Dan Kasprzyk
94-03 (July)	1991 Schools and Staffing Survey (SASS) Reinterview Response Variance Report	Dan Kasprzyk
94-04 (July)	The Accuracy of Teachers' Self-reports on their Postsecondary Education: Teacher Transcript Study, Schools and Staffing Survey	Dan Kasprzyk
94-05 (July)	Cost-of-Education Differentials Across the States	William Fowler
94-06 (July)	Six Papers on Teachers from the 1990-91 Schools and Staffing Survey and Other Related Surveys	Dan Kasprzyk
94-07 (Nov.)	Data Comparability and Public Policy: New Interest in Public Library Data Papers Presented at Meetings of the American Statistical Association	Carrol Kindel
95-01 (Jan.)	Schools and Staffing Survey: 1994 Papers Presented at the 1994 Meeting of the American Statistical Association	Dan Kasprzyk
95-02 (Jan.)	QED Estimates of the 1990-91 Schools and Staffing Survey: Deriving and Comparing QED School Estimates with CCD Estimates	Dan Kasprzyk
95-03 (Jan.)	Schools and Staffing Survey: 1990-91 SASS Cross-Questionnaire Analysis	Dan Kasprzyk
95-04 (Jan.)	National Education Longitudinal Study of 1988: Second Follow-up Questionnaire Content Areas and Research Issues	Jeffrey Owings
95-05 (Jan.)	National Education Longitudinal Study of 1988: Conducting Trend Analyses of NLS-72, HS&B, and NELS:88 Seniors	Jeffrey Owings

Listing of NCES Working Papers to Date--Continued

Number	Title	Contact
95-06 (Jan.)	National Education Longitudinal Study of 1988: Conducting Cross-Cohort Comparisons Using HS&B, NAEP, and NELS:88 Academic Transcript Data	Jeffrey Owings
95-07 (Jan.)	National Education Longitudinal Study of 1988: Conducting Trend Analyses HS&B and NELS:88 Sophomore Cohort Dropouts	Jeffrey Owings
95-08 (Feb.)	CCD Adjustment to the 1990-91 SASS: A Comparison of Estimates	Dan Kasprzyk
95-09 (Feb.)	The Results of the 1993 Teacher List Validation Study (TLVS)	Dan Kasprzyk
95-10 (Feb.)	The Results of the 1991-92 Teacher Follow-up Survey (TFS) Reinterview and Extensive Reconciliation	Dan Kasprzyk
95-11 (Mar.)	Measuring Instruction, Curriculum Content, and Instructional Resources: The Status of Recent Work	Sharon Bobbitt & John Ralph
95-12 (Mar.)	Rural Education Data User's Guide	Samuel Peng
95-13 (Mar.)	Assessing Students with Disabilities and Limited English Proficiency	James Houser
95-14 (Mar.)	Empirical Evaluation of Social, Psychological, & Educational Construct Variables Used in NCES Surveys	Samuel Peng
95-15 (Apr.)	Classroom Instructional Processes: A Review of Existing Measurement Approaches and Their Applicability for the Teacher Follow-up Survey	Sharon Bobbitt
95-16 (Apr.)	Intersurvey Consistency in NCES Private School Surveys	Steven Kaufman
95-17 (May)	Estimates of Expenditures for Private K-12 Schools	Stephen Broughman
95-18 (Nov.)	An Agenda for Research on Teachers and Schools: Revisiting NCES' Schools and Staffing Survey	Dan Kasprzyk
96-01 (Jan.)	Methodological Issues in the Study of Teachers' Careers: Critical Features of a Truly Longitudinal Study	Dan Kasprzyk

Listing of NCES Working Papers to Date--Continued

Number	Title	Contact
96-02 (Feb.)	Schools and Staffing Survey (SASS): 1995 Selected papers presented at the 1995 Meeting of the American Statistical Association	Dan Kasprzyk
96-03 (Feb.)	National Education Longitudinal Study of 1988 (NELS:88) Research Framework and Issues	Jeffrey Owings
96-04 (Feb.)	Census Mapping Project/School District Data Book	Tai Phan
96-05 (Feb.)	Cognitive Research on the Teacher Listing Form for the Schools and Staffing Survey	Dan Kasprzyk
96-06 (Mar.)	The Schools and Staffing Survey (SASS) for 1998-99: Design Recommendations to Inform Broad Education Policy	Dan Kasprzyk
96-07 (Mar.)	Should SASS Measure Instructional Processes and Teacher Effectiveness?	Dan Kasprzyk
96-08 (Apr.)	How Accurate are Teacher Judgments of Students' Academic Performance?	Jerry West
96-09 (Apr.)	Making Data Relevant for Policy Discussions: Redesigning the School Administrator Questionnaire for the 1998-99 SASS	Dan Kasprzyk
96-10 (Apr.)	1998-99 Schools and Staffing Survey: Issues Related to Survey Depth	Dan Kasprzyk
96-11 (June)	Towards an Organizational Database on America's Schools: A Proposal for the Future of SASS, with comments on School Reform, Governance, and Finance	Dan Kasprzyk
96-12 (June)	Predictors of Retention, Transfer, and Attrition of Special and General Education Teachers: Data from the 1989 Teacher Followup Survey	Dan Kasprzyk
96-13 (June)	Estimation of Response Bias in the NHES:95 Adult Education Survey	Steven Kaufman
96-14 (June)	The 1995 National Household Education Survey: Reinterview Results for the Adult Education Component	Steven Kaufman

Listing of NCES Working Papers to Date--Continued

Number	Title	Contact
96-15 (June)	Nested Structures: District-Level Data in the Schools and Staffing Survey	Dan Kasprzyk
96-16 (June)	Strategies for Collecting Finance Data from Private Schools	Stephen Broughman
96-17 (July)	National Postsecondary Student Aid Study: 1996 Field Test Methodology Report	Andrew G. Malizio
96-18 (Aug.)	Assessment of Social Competence, Adaptive Behaviors, and Approaches to Learning with Young Children	Jerry West
96-19 (Oct.)	Assessment and Analysis of School-Level Expenditures	William Fowler
96-20 (Oct.)	1991 National Household Education Survey (NHES:91) Questionnaires: Screener, Early Childhood Education, and Adult Education	Kathryn Chandler
96-21 (Oct.)	1993 National Household Education Survey (NHES:93) Questionnaires: Screener, School Readiness, and School Safety and Discipline	Kathryn Chandler
96-22 (Oct.)	1995 National Household Education Survey (NHES:95) Questionnaires: Screener, Early Childhood Program Participation, and Adult Education	Kathryn Chandler
96-23 (Oct.)	Linking Student Data to SASS: Why, When, How	Dan Kasprzyk
96-24 (Oct.)	National Assessments of Teacher Quality	Dan Kasprzyk
96-25 (Oct.)	Measures of Inservice Professional Development: Suggested Items for the 1998-1999 Schools and Staffing Survey	Dan Kasprzyk
96-26 (Nov.)	Improving the Coverage of Private Elementary-Secondary Schools	Steven Kaufman
96-27 (Nov.)	Intersurvey Consistency in NCES Private School Surveys for 1993-94	Steven Kaufman

Listing of NCES Working Papers to Date--Continued

Number	Title	Contact
96-28 (Nov.)	Student Learning, Teaching Quality, and Professional Development: Theoretical Linkages, Current Measurement, and Recommendations for Future Data Collection	Mary Rollefson
96-29 (Nov.)	Undercoverage Bias in Estimates of Characteristics of Adults and 0- to 2-Year-Olds in the 1995 National Household Education Survey (NHES:95)	Kathryn Chandler
96-30 (Dec.)	Comparison of Estimates from the 1995 National Household Education Survey (NHES:95)	Kathryn Chandler
97-01 (Feb.)	Selected Papers on Education Surveys: Papers Presented at the 1996 Meeting of the American Statistical Association	Dan Kasprzyk
97-02 (Feb.)	Telephone Coverage Bias and Recorded Interviews in the 1993 National Household Education Survey (NHES:93)	Kathryn Chandler
97-03 (Feb.)	1991 and 1995 National Household Education Survey Questionnaires: NHES:91 Screener, NHES:91 Adult Education, NHES:95 Basic Screener, and NHES:95 Adult Education	Kathryn Chandler
97-04 (Feb.)	Design, Data Collection, Monitoring, Interview Administration Time, and Data Editing in the 1993 National Household Education Survey (NHES:93)	Kathryn Chandler
97-05 (Feb.)	Unit and Item Response, Weighting, and Imputation Procedures in the 1993 National Household Education Survey (NHES:93)	Kathryn Chandler
97-06 (Feb.)	Unit and Item Response, Weighting, and Imputation Procedures in the 1995 National Household Education Survey (NHES:95)	Kathryn Chandler
97-07 (Mar.)	The Determinants of Per-Pupil Expenditures in Private Elementary and Secondary Schools: An Exploratory Analysis	Stephen Broughman
97-08 (Mar.)	Design, Data Collection, Interview Timing, and Data Editing in the 1995 National Household Education Survey	Kathryn Chandler

Listing of NCES Working Papers to Date--Continued

Number	Title	Contact
97-09 (Apr.)	Status of Data on Crime and Violence in Schools: Final Report	Lee Hoffman
97-10 (Apr.)	Report of Cognitive Research on the Public and Private School Teacher Questionnaires for the Schools and Staffing Survey 1993-94 School Year	Dan Kasprzyk
97-11 (Apr.)	International Comparisons of Inservice Professional Development	Dan Kasprzyk
97-12 (Apr.)	Measuring School Reform: Recommendations for Future SASS Data Collection	Mary Rollefson
97-13 (Apr.)	Improving Data Quality in NCES: Database-to-Report Process	Susan Ahmed
97-14 (Apr.)	Optimal Choice of Periodicities for the Schools and Staffing Survey: Modeling and Analysis	Steven Kaufman
97-15 (May)	Customer Service Survey: Common Core of Data Coordinators	Lee Hoffman
97-16 (May)	International Education Expenditure Comparability Study: Final Report, Volume I	Shelley Burns
97-17 (May)	International Education Expenditure Comparability Study: Final Report, Volume II, Quantitative Analysis of Expenditure Comparability	Shelley Burns
97-18 (June)	Improving the Mail Return Rates of SASS Surveys: A Review of the Literature	Steven Kaufman
97-19 (June)	National Household Education Survey of 1995: Adult Education Course Coding Manual	Peter Stowe
97-20 (June)	National Household Education Survey of 1995: Adult Education Course Code Merge Files User's Guide	Peter Stowe
97-21 (June)	Statistics for Policymakers or Everything You Wanted to Know About Statistics But Thought You Could Never Understand	Susan Ahmed
97-22 (July)	Collection of Private School Finance Data: Development of a Questionnaire	Stephen Broughman

Listing of NCES Working Papers to Date--Continued

Number	Title	Contact
97-23 (July)	Further Cognitive Research on the Schools and Staffing Survey (SASS) Teacher Listing Form	Dan Kasprzyk
97-24 (Aug.)	Formulating a Design for the ECLS: A Review of Longitudinal Studies	Jerry West
97-25 (Aug.)	1996 National Household Education Survey (NHES:96) Questionnaires: Screener/Household and Library, Parent and Family Involvement in Education and Civic Involvement, Youth Civic Involvement, and Adult Civic Involvement	Kathryn Chandler
97-26 (Oct.)	Strategies for Improving Accuracy of Postsecondary Faculty Lists	Linda Zimbler
97-27 (Oct.)	Pilot Test of IPEDS Finance Survey	Peter Stowe