2010-11 Survey Materials

Finance for private for-profit institutions

date: 12/29/2010

Form: Finance for degree granting private, for-profit institutions

Finance - Private institutions

FASB-Reporting Institutions
General Information - Fiscal Year and Audit

To the extent possible, the finance data requested in this report should be provided from your institution's audited General Purpose Financial Statements (GPFS). Please refer to the instructions specific to each screen of the survey for details and references.

1. Fiscal Year Calendar

This report covers financial activities for the 12-month fiscal year: (The fiscal year reported should be the most recent fiscal year ending before October 1, 2010.)

Beginning: month/year (MMYYYY)	Month:		Year:	
And ending: month/year (MMYYYY)	Month:		Year:	

2. Audit Opinion

Did your institution receive an unqualified opinion on its General Purpose Financial Statements from your auditor for the fiscal year noted above? (If your institution is audited only in combination with another entity, answer this question based on the audit of that entity.)

○ Unqualified ○ Qualified (Explain in box below) ○ Don't know (Explain in box below)

You may use the space below to provide context for the data you've reported above.

Part A - Balance Sheet Information

Fiscal Year 2010			
Line No.	**Assets, Liabilities, and Equity**	**Current year amount**	**Prior year amount**
	Assets		
01	Total assets		
	Liabilities		
02	Total liabilities		
	Equity		
03	Total equity **CV =** (A01 - A02)		
04	Total liabilities and equity **CV =** (A02 + A03)		

You may use the space below to provide context for the data you've reported above.

Part B - Summary of Changes in Equity

Fiscal Year 2010			
Line No.	**Revenues, Expenses, Gains, and Losses**	**Current year amount**	**Prior year amount**
01	Total revenues		
02	Total expenses		
03	**Sum of specific changes in equity** **CV=**[B04-(B01-B02)]		
04	Net income		
05	Other changes in equity		
06	Equity, beginning of year		
07	**Adjustments to beginning net equity** **CV=**[B08-(B04+B05+B06)]		
08	**Equity, end of year (from A03)**		

You may use the space below to provide context for the data you've reported above.

Part C - Student Grants

Fiscal Year 2010			
Line No.	**Student Grants**	**Current year amount**	**Prior year amount**
01	Pell grants (federal)		
02	Other federal grants		
03	State and local grants (government)		
04	Institutional grants		
05	**Total student grants** **CV**=[C01+...+C04]		
06	Allowances applied to tuition and fees		
07	Allowances applied to auxiliary enterprise revenues		

You may use the space below to provide context for the data you've reported above.

Part D - Revenues and Investment Return

Fiscal Year 2010			
Line No.	**Source of Funds**	**Current year amount**	**Prior year amount**
01	Tuition and fees (net of amount reported in Part C, line 06)		
	Government Appropriations, Grants and Contracts		
02	Federal appropriations, grants and contracts		
03	State and local government appropriations, grants and contracts		
	Private Grants and Contracts		
04	Private grants and contracts		
	Other Revenue		
05	Investment income and investment gains (losses) included in net income		
06	Sales and services of educational activities		
07	Sales and services of auxiliary enterprises (net of amount reported in Part C, line 07)		
08	**Other revenue** **CV=**[D09-(D01+...+D07)]		
09	**Total revenues and investment return (from B01)**		
10	**12-month Student FTE from E12** **CV=**[D10a+D10b]		
	10a Undergraduates		
	10b Graduates		
11	Total revenues and investment return per student FTE **CV=**[D09/D10]		

You may use the space below to provide context for the data you've reported above.

Part E - Expenses by Function

Fiscal Year 2010			
Line No.	**Expenses by Functional Category**	**Amounts**	**Prior Year Amounts**
01	Instruction		
02	Research and Public service		
03	Academic support, Student services and Institutional support		
04	Auxiliary enterprises		
05	Net grant aid to students (net of tuition and fee allowances and agency transactions)		
06	**All other expenses** **CV=**[E07-(E01+...+E05)]		
07	**Total expenses (from B02)**		
08	**12-month Student FTE from E12** **CV=**[E08a+E08b]		
	08a Undergraduates		
	08b Graduates		
09	Total expenses per student FTE **CV=**[E07/E08]		

Provide an explanation below if values cannot be reported separately.

FASB-Reporting Institutions, For-Profit, Degree Granting

date: 12/29/2010

Instruction

Purpose of component

Changes in Reporting

General Information and Instructions

Context boxes

Coverage

GetHelp

Where to get additional help for reporting finance

Where data appears

Detailed Instructions Header

Screening questions

Part A Balance Sheet Information

Part B Summary of Changes in Equity

Part C Student Grants

DG Part D Revenues and Investment Return

Part E Expenses by Function

Parent child instructions

Purpose of Component

The purpose of the IPEDS Finance component is to collect basic financial information from items associated with the institution's General Purpose Financial Statements (GPFS). Item areas include:

- Balance Sheet Information
- Summary of Changes in Equity
- Student Grants
- Revenues and Investment Return
- Expenses by Function

Changes in Reporting

There are no reporting changes for the 2010-11 collection. However, some other minor non-reporting changes were made including:

- Clarified instructions
- Added a calculated value showing Total revenues and investment return per student FTE in Part D (Revenues and Investment Return)
- Added a calculated value showing Total expenses per student FTE in Part E (Expenses by Function)
- Added prior year values for each functional expense in Part E (Expenses by Function)

General Instructions

Reporting Period Covered

The starting point for reporting should be amounts reported in the GPFS for the **most recent fiscal year ending before October 1, 2010**. For institutions with fiscal years ending on December 31, this would be the calendar year 2009.

About the Data

Data providers for this component should be familiar with college and university accounting policies and practices as described by the National Association of College and Universities' Business Officers (NACUBO). To provide additional help, accounting terms are underlined and colored blue. These terms are linked to definitions found in the on-line glossary.

Four different types of data appear in this component. There are data:

- Institutions provide from their GPFS and/or underlying records.
- That are prior year data, shown in red, which can be used as a comparison with the current year's data being reported.
- That are carried forward from one part of the component to another part to insure that the data are internally consistent.
- Calculated from the other data elements.

In the latter two cases, the data provider is requested to check that the carried forward data and the calculated data are consistent with the data found in the institution's GPFS. If the data carried forward or calculated are not consistent with the institution's GPFS, then an error in data entry may have occurred.

Context Boxes

Context boxes are provided to allow institutions to provide more information regarding survey component items. Note that some context boxes are posted on the College Navigator Website, which is the college search tool offered by NCES. NCES will review entries in these context boxes for applicability and appropriateness before posting them on the College Navigator Website; institutions should check grammar and spelling of their entries.

Top ▲

Coverage

What to Include

The reporting entity's financial accounting policies and procedures should be the beginning basis for reporting to this IPEDS survey component. However, deviations from the GPFS may be required to respond to this IPEDS survey component. Some of these deviations include:

- If financial categories in the institution's GPFS are more aggregated than required for this IPEDS survey component, then use underlying institutional records to determine the necessary amounts.
- If financial categories in the institution's GPFS are more detailed than required, then combine the GPFS amounts and report only the combined number for this IPEDS survey component.
- If amounts are reported in categories in the GPFS that differ from those required for the IPEDS survey, move those amounts to the IPEDS-requested categories.
- Report all financial in WHOLE DOLLARS only, omitting cents.
- For any item on the survey component where exact data do not exist in the GPFS, please give estimates.

What NOT to Include

Do not report any projected amounts for future years. Do not make adjustments for prior-year corrections unless they are included as such corrections in the GPFS.

Where to Get Help

IPEDS Data Collection Help Desk

Phone: 1-877-225-2568
Email: ipedshelp@rti.org

AIR Website

You can also consult the AIR website that contains several tutorials on IPEDS data collection, a self-paced overview of IPEDS tools and other valuable resources.

IPEDS Resources Page

In addition, the IPEDS Resources Page contains frequently asked questions, a link to the glossary, data tip sheets, an archive of survey instruments, information on the new race/ethnicity categories and other relevant information.

Top ▲

Where to Get Additional Get Help for Reporting Finance on this Component

There may be places on and off your campus to get assistance in reporting.

Assistance on campus
Although institutions may be organized in different ways and use different titles for offices, an office on your campus that might help you to report data on this survey component might be called:

- Office of the Chief Financial Officer
- Office of Administration and Finance
- Office of Finance
- Office of Budget
- Office of Financial Services
- Office of the Comptroller (or Controller)
- Office of Accounting

Assistance off campus
Additional references may be found in the National Association of College and University Business Officers' (NACUBO) Financial Accounting and Reporting Manual (FARM) which is available online. Additional information may be found at the NACUBO website (www.nacubo.org). Someone at your institutions in one or more of the offices listed above may already have access to the FARM.

Where the Data Will Appear

Data collected through IPEDS will be accessible at the institution- and aggregate-levels.

At the institution-level, data will appear in the:

- College Navigator Website
- IPEDS Data Center
- IPEDS Data Feedback Reports

At the aggregate-level, data will appear in:

- IPEDS First Looks
- IPEDS Table Library
- IPEDS Data Feedback Reports
- The Digest of Education Statistics
- The Condition of Education

Top ▲

Detailed Instructions

This section provides line-by-line instructions for each Part of the Finance Component.

In the instructions, numbers found in parentheses at the end of each line provide additional reference to paragraphs in the National Association of College and Universities' Business Officers' (NACUBO) Financial Accounting and Reporting Manual (FARM). There are also some references to the Statement of Financial Accounting Standards (SFAS).

General Information – Fiscal Year and Audit

Fiscal Year: Enter the beginning and ending dates of the period covered for the reported financial data. If the period is not a full 12-month year, explain in the context box below why a 12-month period was not included.

Audit Opinion: Check the appropriate box to indicate if the GPFS received an unqualified opinion from your auditors. If "qualified" is checked, please note in the context box the nature of the qualification. If the statements have not been audited, please check "Don't know" and note in the context box that the GPFS are unaudited.

Part A – Balance Sheet Information

This part is intended to report the assets, liabilities, and equity.

Data should be consistent with the GPFS.

01 – Total assets - Enter the amount from your GPFS which is the sum of:
a) Cash, cash equivalents, and temporary investments;
b) Receivables (net of allowance for uncollectible amounts);
c) Inventories, prepaid expenses, and deferred charges;
d) Amounts held by trustees for construction and debt service;
e) Long-term investments;
f) Plant, property, and equipment; and,
g) Other assets

These terms are discussed below.

a) Cash, cash equivalents, and temporary investments – Cash equivalents are 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. Examples are U.S. Treasury bills, certificates of deposit, bankers acceptances, repurchase agreements, and commercial paper. Include amounts for currency on hand and deposits held by financial institutions that can be added to or withdrawn without limitation, such as demand deposits. (FARM para. 402)

b) Receivables (net of allowance for uncollectible amounts) – Include amounts receivable for all purposes, including billings for educational and general programs and auxiliary enterprise activities; student loans receivable; government appropriations receivable; amounts receivable on grants and contracts; accrued dividends and interest receivable; claims against vendors; advances to employees; and reimbursements receivable from affiliated organizations. All amounts receivable should be reported net of an allowance for uncollectible accounts. (FARM para. 403)

c) Inventories, prepaid expenses, and deferred charges – For inventories, include 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 GPFS. For prepaid expenses and deferred charges, include amounts paid in advance of services received and expenses deferred because benefits relate to future rather than to current period activities. Examples include prepaid rent, prepaid insurance, bond issue costs, pension costs or other outflows applicable to future periods. (FARM para. 407)

d) Amounts held by trustees for construction and debt service – Include cash and investments held by trustees in accordance with agreements that limit expenditure of those amounts to purchase of plant, property, or equipment or to payment of principal and interest on bonds and notes payable or other long-term debt.

e) Long-term investments – Include the amount for all assets held for long-term investment. (FARM para. 405)

f) Plant, property, and equipment – Include the amount for the balances of land, buildings, equipment, and construction in progress, combined and net of accumulated depreciation. (FARM para. 415)

g) Other assets – Include all other assets not reported elsewhere.

02 – Total liabilities - Enter the amount from your GPFS which is the sum of:
a) Accounts payable;
b) Deferred revenues and refundable advances;
c) Post-retirement and post-employment obligations;
d) Other accrued liabilities;
e) Bonds, notes, and capital leases payable and other long-term debt, including current portion;
f) Government grants refundable under student loan programs; and,
g) Other liabilities.

These terms are discussed below.

a) Accounts payable – Includes the total of accounts payable to suppliers. (FARM para. 420)

b) Deferred revenues and refundable advances – Include short-term deferrals and advances including student deposits, advances from third parties for services not yet performed, short-term advances on grants or contracts (including those from the government), and refunds due third parties for amounts previously received. (FARM para. 422)

c) Post-retirement and post-employment obligations – Include amounts for pension obligations, post-retirement healthcare benefit obligations, severance obligations, and similar post-retirement and post-employment obligations. (FARM para. 478 and 479)

d) Other accrued liabilities – Include amounts for any accrued liabilities, including accrued interest payable, salary and benefit (payroll) accruals, and similar accrued expenses not found in another category. (FARM para. 420)

e) Bonds, notes, and capital leases payable and other long-term debt, including current portion – Include amounts for all long-term debt obligations including bonds payable, mortgages payable, capital leases payable, and long-term notes payable. If the current portion of long-term debt is separately reported in your GPFS, include that amount. (FARM para. 420 and 423)

f) Government grants refundable under student loan programs – Include amounts advanced to the institution by a governmental entity for purposes of making loans to students (if recognized as a liability in the GPFS).

g) Other liabilities – Include all other liabilities not reported elsewhere.

03 – Total equity –The amount calculated here is important because it will be carried forward to Part B. This amount is calculated as the difference between total assets reported on line 01 and total liabilities reported on line 02. The calculated value should equal the amount from your GPFS which is the sum of:

a) Stock (common, preferred, treasury, etc.) and additional paid-in-capital;
b) Retained earnings; and,
c) Accumulated other comprehensive income.

These terms are discussed below.

a) Stock (common, preferred, treasury, etc.) and additional paid-in-capital – Include the amount of capital stock and additional paid-in-capital. Include all capital stock (i.e., common, preferred, treasury) and donated capital.

b) Retained earnings – Include the amount of earnings that have not been distributed to stockholders. Retained earnings is the portion of a corporation's equity that represents cumulative net income, less losses and dividends.

c) Accumulated other comprehensive income – Includes the amount of cumulative comprehensive income excluded from net income. Accumulated other comprehensive income is the company's change in total stockholders' equity from all sources other than from the owners of the business and net income. This includes foreign currency translation adjustments and unrealized gains or losses on certain investments (i.e., debt or equity securities classified as available-for-sale). (SFAS Numbers 115 and 130.)

04 – Total liabilities and equity – This amount is calculated as the sum of total liabilities reported on line 02 and total equity calculated on line 03. This amount equals total assets reported on line 01.

Part B – Summary of Changes in Equity

PLEASE COMPLETE PART A BEFORE PROVIDING DATA FOR PART B.

This part is intended to report a summary of changes in equity and to determine that all amounts being reported on the Balance Sheet Information (Part A), Revenues and Other Additions (Part D), and Expenses by Function (Part E) are in agreement.

01 – Total revenues - Enter all revenues that agree with the revenues recognized in your GPFS. The amount provided here is important because it will be carried forward to Part D.

02 – Total expenses - Enter all expenses that agree with the expenses recognized in your GPFS. The amount provided here is important because it will be carried forward to Part E.

03 – Sum of specific changes in equity - This calculated value is generated using this formula:

B03 = B04 –(B01 - B02)

The amount above should equal the sum of these amounts found in your GPFS:
a) Gains or (losses) on sale of plant assets;
b) Other nonoperating gains or (losses);
c) Provision for Federal and State income tax (where applicable);
d) Discontinued operations;
e) Extraordinary gain or (loss); and,
f) Cumulative effect of change(s) in accounting principle.

Because this is a calculated value, data providers are advised to compare this amount with the corresponding amount from their GPFS or underlying records. If these amounts differ materially, the data provider is advised to check the other amounts provided on this screen for data entry errors.

These terms are discussed below.

a) Gains or (losses) on sale of plant assets – Include the net gain or loss on the sale of plant, property and equipment reported in your GPFS. (FARM para. 415)

b) Other nonoperating gains or (losses) – Include gains or losses recognized in your GPFS other than those reported previously.

c) Provision for Federal and State income tax (where applicable) - Include amounts associated with income tax expenses where applicable.

d) Discontinued operations - Include amounts for discontinued operations (if any) reported in your GPFS.

e) Extraordinary gain or (loss) - Include amounts for extraordinary items (if any) reported in your GPFS.

f) Cumulative effect of change(s) in accounting principle - Includes amounts reported as the cumulative effect of change(s) in accounting principle (if any) reported in your GPFS.

04 – Net income - Enter the amount of net income found in your GPFS.

05 – Other changes in equity – Enter the sum of these amounts: investments by owners, distributions to owners, unrealized gains (losses) on securities and other comprehensive income, and other additions to (deductions from) owners' equity.

06 – Equity, beginning of year - The amount reported on this line should correspond to the total equity at the beginning of the reporting period as found in your GPFS.

07 – Adjustments to beginning net equity - This calculated value is generated using this formula:

$$B07 = B08 - (B04 + B05 + B06)$$

Check your GPFS to make sure this generated amount is equal to the sum of any unrealized gains (losses) on investments and any other adjustments to beginning net equity not reported elsewhere. This includes adjustments for retroactive application of changes in accounting principle and prior period adjustments. If these amounts differ materially, the data provider is advised to check the other amounts provided on this screen for data entry errors.

08 – Equity, end of year - This amount is carried forward from the amount calculated in Part A, line 03. This amount should equal the total equity reported in your GPFS.

Part C - Student Grants

This part is intended to report details about student grants.

For each source on lines 01–04, enter the amount of resources received that are used for student financial aid purposes. Student grants include: grants-in-aid, trainee stipends, tuition and fee waivers, and prizes to undergraduate students. Student grants do not include amounts provided to students as payments for teaching or research or as fringe benefits.

For lines 06 and 07, identify amounts that are reported in the GPFS as allowances only. "Allowance" means the institution displays the financial aid amount as a deduction from tuition and fees or a deduction from auxiliary enterprise revenues in its GPFS.

The allowance category is intended to be consistent with the definitions provided in the NACUBO Advisory Report Accounting and Reporting Scholarship Allowances to Tuition and Other Fee Revenues by Higher Education (AR 97-1, January 17, 1997), which is available at the NACUBO website (www.nacubo.org). AR 97-1 states:

"A scholarship allowance is the difference between the stated charge for goods and services provided by the institution and the amount which is billed to students and/or third parties making payments on behalf of students. In considering what is or is not revenue, the following rule applies: amounts received to satisfy student tuition and fees will be reported as revenue only once (e.g. student fees, gifts, investment income) and only amounts received from students and third-party payers to satisfy tuition and fees will be recognized as tuition and fee revenue."

Refer to these specific instructions for more information about reporting student grants.

01 – Pell grants (federal) – Enter the amount awarded to the institution under the Pell Grant program.

02 – Other federal grants – Enter the amount awarded to the institution under other federal student aid programs, such as Supplemental Education Opportunity Grants (SEOG), DHHS training grants (aid portion only), DOD grants, Department of Veterans Affairs grants, and State Student Incentive Grants (SSIG).

03 – State and local grants (government) – Enter the amount awarded to the institution under state and local student aid programs, including the state portion of State Student Incentive Grants (SSIG).

04 – Institutional grants – Enter the amount awarded to students from institutional resources.

05 – Total student grants – This calculated value is the sum of lines 01 through 04. Because this is a caclulated value data providers are advised to check this amount with the corresponding amount on their GPFS or underlying records. If these amounts differ materially, the data provider is advised to check the other amounts provided on this screen for data entry errors.

06 – Allowances applied to tuition and fees – Enter the amount of allowances (scholarships) applied to tuition and fees. The amount on this line, when added to the amount in Part D, line 01 equals gross tuition and fees. (FARM para. 460)

07 – Allowances applied to auxiliary enterprise revenues – Enter the amount of allowances (scholarships) applied to auxiliary enterprise revenues (e.g., dormitory charges). The amount on this line, when added to the amount in Part D, line 07 equals gross auxiliary enterprise revenue. (FARM para. 460)

Part D – Revenues and Investment Return

PLEASE COMPLETE PARTS B AND C BEFORE PROVIDING DATA FOR PART D.

This part is intended to report revenues by source.

The revenues and investment return reported in this part should agree with the revenues reported in the institution's GPFS.

All revenue source categories are intended to be consistent with the definitions provided in Chapter 4 (Accounting for Private Colleges and Universities) of the NACUBO FARM.

Exclude from revenues (and expenses) internal charges and credits. Internal charges and credits include charges between a parent and a subsidiary only if the two are consolidated in the amounts reported in the IPEDS survey.

Refer to these specific instructions for more information about reporting revenues and investment return.

01 – Tuition and fees (net of amount reported in Part C, line 06) – Enter the amount of tuition and educational fees, net of any allowances applied in the GPFS. Include in this amount all fees for continuing education programs, conferences, and seminars. (FARM para. 460)

Government Appropriations, Grants and Contracts

02 – Federal appropriations, grants and contracts – Enter all amounts received from the Federal Government including a direct appropriation of Congress, and any grants or contracts. Federal appropriations received through state channels should be included on line 02. Include 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 student aid grants are treated as agency transactions in your GPFS, they are excluded from this amount. If federal Pell and similar student aid grants are treated as student aid expenses or as allowances when awarded, include the grant revenue on this line and in Part C. (FARM para. 463 and 464)

03 – State and local government appropriations, grants and contracts – Enter all amounts received from a state or local government through a direct appropriation of its legislative body, and any grants or contracts. An example of a state or local appropriation that should be entered on line 03 is an annual state or local appropriation for operating expenses of the institution. (FARM para. 463 and 464)

Include all revenues from state and local government agencies that are for specific undertakings such as research projects, training projects, and similar activities, including contributions from state and local agencies. If state and local grants for student aid are treated as agency transactions in your GPFS, they are excluded from this amount. If state and local grants for student aid are treated in your GPFS as student aid expenses or as allowances when awarded, include the grant revenue on this line and in Part C.

Private Grants and Contracts

04 – Private grants and contracts – Enter revenues from private (non-governmental) entities including revenue from research or training projects and similar activities. (FARM para. 462 and 464)

Other Revenue

05 – Investment income and investment gains (losses) included in net income –Enter all investment income including: dividends; interest; rents and royalties; gains and losses (realized and unrealized) from holding investments that are included in net income in accordance with the SFAS No. 115; student loan interest; and amounts distributed from irrevocable trusts held by others (collectively referred to as "investment income").

Part D, line 05 should include all investment income and net investment gains (losses) included in net income in your institution's GPFS. Net investment gains (losses) included in other comprehensive income should be reported in Part B, line 03.

06 – Sales and services of educational activities – Enter all revenues derived from the sales of goods or services that are incidental to the conduct of instruction, research or public service, and revenues of activities that exist to provide instructional and laboratory experience for students and that incidentally create goods and services that may be sold. Examples include film rentals, scientific and literary publications, testing services, university presses, dairies, and patient care clinics that are not part of a hospital. (FARM para. 465)

07 – Sales and services of auxiliary enterprises (net of amount reported in Part C, line 07) - Enter revenues generated by the auxiliary enterprise operations, net of any allowances applied in the GPFS. Auxiliary enterprises are 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. (FARM para. 465)

08 – Other revenue - This calculated value is generated using this formula:

$$D08 = D09 - (D01 + \ldots + D07)$$

The amount above should be equal to corresponding amounts found in your GPFS. Excluded from this amount are gains or other unusual or nonrecurring items that are required to be included in Part B, such as gains on the sale of plant assets and extraordinary gains. If this generated amount is negative, this is an indication that amounts entered on this screen are not consistent with your audited GPFS or underlying records.

09 – Total revenues and investment return - This amount is carried forward from Part B, line 01. Please check to make sure that the amount carried forward is the same as the amount found in your GPFS.

10 – 12-month Student FTE from E12 – This is the sum of the values in lines 10a and 10b.

10a – Undergraduates – This value is the 12-month undergraduate student FTE that was estimated or reported in the most recent 12-month Enrollment component.

10b – Graduates – This value is the 12-month graduate student FTE that was estimated or reported in the most recent 12-month Enrollment component.

11 – Total revenues and investment return per Student FTE – This amount is generated by dividing line 09 by line 10.

Part E – Expenses by Function

PLEASE COMPLETE PART B BEFORE PROVIDING DATA FOR PART E.

Part E is intended to report expenses by function. All expenses recognized in the GPFS should be reported using the expense functions provided on lines 01–06. These functional categories are consistent with Chapter 5 (Accounting for Private Colleges and Universities) of the NACUBO FARM. (FARM para. 504)

Although for-profit institutions are not required to report expenses by functions in their GPFS, please report expenses by functional categories using your underlying accounting records. Expenses should be assigned to functional categories by direct identification with a function, wherever possible. When direct assignment to functional categories is not possible, an allocation is appropriate. Objective methods of allocating expense are preferable to subjective methods and may be based on financial or nonfinancial data.

The total for expenses on line 07 should agree with the total expenses reported in your GPFS including interest expense and any other non-operating expense.

Do not include losses or other unusual or nonrecurring items in Part E. (Special items including gains and losses should be reported in Part B.) Operation and maintenance of plant, depreciation, and interest expenses are to be distributed among the other functional expense categories. (FARM para. 704.14 - 704.16)

Refer to these specific instructions for more information about reporting expenses.

Expenses by Function

01 – Instruction – Enter the 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. 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. Include expenses for both credit and non-credit activities. Exclude expenses for academic administration if the primary function is administration (e.g., academic deans). Such expenses should be entered on line 03. (FARM para. 703.4)

02 – Research and Public Service – Enter the sum of expenses for research and public service. Each term is described below.

Research – Includes all expenses for activities specifically organized to produce research outcomes and either commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. The category includes institutes and research centers, and individual and project research. Do not report nonresearch sponsored programs (e.g., training programs) on this line. Training programs generally are reported on line 01 (Instruction). (FARM para. 703.5)

Public service – Includes 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, cooperative extension services, and public broadcasting services. (FARM para. 703.6)

03 – Academic support, Student services and Institutional support – Enter the sum of expenses for academic support, student services, and institutional support.

Each term is described below.

Academic support – Includes expenses for support services that are an integral part of the institution's primary mission of instruction, research, or public service and that are not charged directly to these primary programs. Include expenses for libraries, museums, galleries, audio/visual services, academic development, academic computing support, course and curriculum development, and academic administration. Include expenses for medical, veterinary and dental clinics if their primary purpose is to support the institutional program, that is, they are not part of a hospital. (FARM para. 703.7)

Student services – Includes expenses for admissions, registrar activities and activities whose primary purpose is to contribute to students emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instructional program. Examples are career guidance, counseling, financial aid administration, student records, athletics, and student health services, except when operated as a self-supporting auxiliary enterprise. (FARM para. 703.8)

Institutional support – Includes 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, administrative computing support, and public relations/development. (FARM para. 703.9)

04 – Auxiliary enterprises – Enter 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 (only if essentially self-supporting), college unions, college stores, faculty and staff parking, and faculty housing. (FARM para. 703.11)

05 – Net grant aid to students (net of tuition and fee allowances and agency transactions) – Enter on this line ONLY student aid recognized as expenses in your GPFS. Whereas in the past, most student awards were recorded as expenses under this classification, most student awards will now be reported as either scholarship allowances or agency transactions. Student awards made from contributed funds or grant funds that are under the control of the institution (the institution decides who gets the award) result in allowances that reduce tuition or auxiliary enterprise revenue and should not be treated as an expense. Student awards made from grant funds that are made to students identified by the grantor are considered agency transactions and do not result in either revenues or expenses. Student aid in the form of allowances applied to tuition and fees should be reported in Part C, line 06 and not included in Part E, line 05. Student aid in the form of allowances applied to auxiliary services should be reported in Part C, line 07 and not included in Part E, line 05. (FARM para. 703.10)

According to NACUBO Advisory Report 97-1 (January 17, 1997), grant aid to students are "expenses to the extent that the organization incurs incremental expense in providing goods and services". Thus, payments made by the institution to students or third parties in support of the total cost of education are expenses if those payments are made for goods and services NOT provided by the institution. Examples include payments for services to third parties (including students) for off-campus housing or for the cost of board not provided by institutional contract meal plans.

06 – All other expenses – This calculated value is generated using this formula:

$$E06 = E07 - (E01 + \ldots + E05)$$

Because this is a generated number, data providers are advised to compare this amount with a corresponding amount in the institution's GPFS. If these amounts differ materially, the data provider is advised to check the other amounts provided on this screen for data entry errors.

07 – Total expenses - This amount is automatically carried forward from Part B, line 02. The amount should be the same as the amount for total expenses found in your GPFS.

08 – 12-month Student FTE from E12 - This is the sum of the values in lines 08a and 08b.

08a – Undergraduates - This value is the 12-month undergraduate student FTE that was estimated or reported in the most recent 12-month Enrollment component.

08b – Graduates - This value is the 12-month graduate student FTE that was estimated or reported in the most recent 12-month Enrollment component.

09 – Total expenses per Student FTE - This amount is generated by dividing line 07 by line 08.

Additional Instructions for Institutions Reporting Finance Data for Other Institutions

Most degree-granting institutions reporting IPEDS data report all their data for each IPEDS component, including this finance component. However, some institutions (called "children") are set up to report only certain parts of the IPEDS finance component, while the "parent" institution reports all portions of the finance component but does not double count those items already reported by the children institutions. Here is what each type of institution should report:

Part	Parent Institution	Child Institution
Part A – Balance Sheet	Reports sum of Parent and Child data	Does not report
Part B – Summary of Change in Equity	Reports sum of Parent and Child data	Does not report
Part C – Student Grants	Reports parent data only	Reports child data only
Part D – Revenues and Investment Return	Reports parent data only	Reports child data only
Part E – Expenses by Function	Reports parent data only	Reports child data only

Child institutions should only report the data for their institution when reporting IPEDS finance data.

Parent institutions should report the sum of Parent and Child data for Parts A and B, and should report Parent data only in parts C, D and E. This is done so that student grants, revenues and investment return, and expenses by function are not double counted by Parent and Child institutions.

Term	Definition
Academic support	A functional expense category that includes expenses of activities and services that support the institution's primary missions of instruction, research, and public service. It includes the retention, preservation, and display of educational materials (for example, libraries, museums, and galleries); organized activities that provide support services to the academic functions of the institution (such as a demonstration school associated with a college of education or veterinary and dental clinics if their primary purpose is to support the instructional program); media such as audiovisual services; academic administration (including academic deans but not department chairpersons); and formally organized and separately budgeted academic personnel development and course and curriculum development expenses. Also included are information technology expenses related to academic support activities; if an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this function and the remainder to institutional support. Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.
Allowances	That part of a scholarship or fellowship that is used to pay institutional charges such as tuition and fees or room and board charges.
Assets	Physical items (tangible) or rights (intangible) that have value and that are owned by the institution. Assets are useful to the institution because they are a source of future services or because they can be used to secure future benefits.
Audit opinion	An audit, performed by external (or outside) auditors, that usually consists of a one-page "opinion" letter on the general-purpose financial statements. The "opinion" paragraph of the letter usually states that "In our opinion, the financial statements present fairly, in all material respects, the financial position as of (date) and the results of operations for the year then ended, in conformity with accounting standards generally accepted in the United States." If the auditor cannot state completely the substance of the previous "opinion" sentence, then the auditor will add a phrase such as "...except for..." and state the basis for the exception. When the auditor includes exceptions to the opinion, the opinion is considered to be a "qualified opinion;" when no such exceptions are included, the opinion is considered to be an "unqualified opinion."
Auxiliary enterprises expenses	Expenses for essentially self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services, student health services, intercollegiate athletics (only if essentially self-supporting), college unions, college stores, faculty and staff parking, and faculty housing. Institutions include actual or allocated costs for operation and maintenance of plant, interest and depreciation.
Auxiliary enterprises revenues	Revenues generated by or collected from the auxiliary enterprise 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. Auxiliary enterprises are managed as essentially self-supporting activities. Examples are residence halls, food services, student health services, intercollegiate athletics, college unions, college stores, and movie theaters.
Equity	The excess of a private, for-profit institution's assets over its liabilities. It is the claim or stake of the owners.
Expenses	The outflow or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services, or carrying out other activities that constitute the institution's ongoing major or central operations or in generating revenues. Alternatively, expenses may be thought of as the costs of goods and services used to produce the educational services provided by the institution. Expenses result in a reduction of net assets.
Government appropriations (revenues)	Revenues received by an institution through acts of a legislative body, except grants and contracts. These funds are for meeting current operating expenses and not for specific projects or programs . The most common example is a state's general appropriation. Appropriations primarily to fund capital assets are classified as capital appropriations.
Grants and contracts (revenues)	Revenues from governmental agencies and nongovernmental parties that are for specific research projects, other types of programs , or for general institutional operations (if not government appropriations). Examples are research projects, training programs, student financial assistance, and similar activities for which amounts are received or expenses are reimbursable under the terms of a grant or contract, including amounts to cover both direct and indirect expenses. Includes Pell Grants and reimbursement for costs of administering federal financial aid programs. Grants and contracts should be classified to identify the governmental level - federal, state, or local - funding the grant or contract to the institution; grants and contracts from other sources are classified as nongovernmental grants and contracts. GASB institutions are required to classify in financial reports such grants and contracts as either operating or nonoperating.
Institutional grants	Scholarships and fellowships granted and funded by the institution and/or individual departments within the institution, (i.e., instruction, research, public service) that may contribute indirectly to the enhancement of these programs . Includes scholarships targeted to certain individuals (e.g., based on state of residence, major field of study, athletic team participation) for which the institution designates the recipient.
Institutional support	A functional expense category that includes expenses for the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development. Also includes information technology expenses related to institutional support activities. If an institution does not separately budget and expense information technology resources, the costs associated with student services and operation and maintenance of plant will also be applied to this function. Institutions include actual or allocated costs for operation and maintenance of plant, interest and depreciation.
Instruction	

	A functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and regular, special, and extension sessions. Also includes expenses for both credit and non-credit activities. Excludes expenses for academic administration where the primary function is administration (e.g., academic deans). Information technology expenses related to instructional activities if the institution separately budgets and expenses information technology resources are included (otherwise these expenses are included in academic support). Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.
Investment gains	The gain derived from the investment of capital. Such gains may take the form of a market appreciation of the value of the investment. The gain may be realized if the asset or capital is sold or unrealized if the asset or capital is not sold.
Investment income	Revenues derived from the institution's investments, including investments of endowment funds. Such income may take the form of interest income, dividend income, rental income or royalty income and includes both realized and unrealized gains and losses.
Liabilities	Debts and obligations of the institution owed to outsiders or claims or rights, expressed in monetary terms, of an institution’s creditors. GASB institutions are required to report liabilities under two categories - current liabilities and noncurrent liabilities.
Net grant aid to students (expenses)	The portion of scholarships and fellowships granted by an institution that exceeds the amount applied to institutional charges such as tuition and fees or room and board. The amount reported as expense excludes allowances.
Net income	The final figure in the income statement when revenues exceed expenses.
Other federal grants	Federal monies awarded to the institution under federal government student aid programs, such as Supplemental Educational Opportunity Grants (SEOG), DHHS training grants (aid portion only), State Student Incentive Grants (SSIG), and other federal student aid programs. Pell grants are not included in this classification. Note: if the federal government selects the student recipients and simply transmits the funds to the institution for disbursement to the student, the amounts are not considered as revenues and subsequently there are no discounts & allowances or scholarships and fellowships expenses. If the funds are made available to the institution for selection of student recipients, then the amounts received are considered as nonoperating revenues and subsequently as discounts & allowances or scholarships and fellowships expenses.
Pell Grant program	(Higher Education Act of 1965, Title IV, Part A, Subpart I, as amended.) Provides grant assistance to eligible undergraduate postsecondary students with demonstrated financial need to help meet education expenses.
Private gifts, grants and contracts (revenues)	Revenues from private donors for which no legal consideration is involved and from private contracts for specific goods and services provided to the funder as stipulation for receipt of the funds. Includes only those gifts, grants, and contracts that are directly related to instruction, research, public service, or other institutional purposes. Includes monies received as a result of gifts, grants, or contracts from a foreign government. Also includes the estimated dollar amount of contributed services.
Public service	A functional expense category that includes expenses for activities established primarily to provide noninstructional services beneficial to individuals and groups external to the institution. Examples are conferences, institutes, general advisory service, reference bureaus, and similar services provided to particular sectors of the community. This function includes expenses for community services, cooperative extension services, and public broadcasting services. Also includes information technology expenses related to the public service activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support). Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.
Research	A functional expense category that includes 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. The category includes institutes and research centers, and individual and project research. This function does not include nonresearch sponsored programs (e.g., training programs). Also included are information technology expenses related to research activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support.) Institutions include actual or allocated costs for operation & maintenance of plant, interest, and depreciation.
Revenues	The inflow of resources or other enhancement of net assets (or fund balance) of an institution or settlements of its liabilities (or a combination of both) from delivering or producing goods, rendering services, or other activities that constitute the institution's ongoing major or central operations. Includes revenues from fees and charges, appropriations, auxiliary enterprises, and contributions and other nonexchange transactions. Revenues are reported net of discounts and allowances (that is, the revenue reported is reduced by the amount of discounts and allowances) for FASB institutions and for GASB institutions that have implemented GASB Statement No. 34.
Sales and services of educational activities (revenues)	Revenues from the sales of goods or services that are incidental to the conduct of instruction, research or public service. Examples include film rentals, sales of scientific and literary publications, testing services, university presses, dairy products, machine shop products, data processing services, cosmetology services, and sales of handcrafts prepared in classes.
State and local government grants	State and local monies awarded to the institution under state and local student aid programs, including the state portion of State Student Incentives Grants (SSIG). (Used for reporting Student Financial Aid data)
Student services	

	A functional expense category that includes expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students emotional and physical well - being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal administration, and student records. Intercollegiate athletics and student health services may also be included except when operated as self - supporting auxiliary enterprises. Also may include information technology expenses related to student service activities if the institution separately budgets and expenses information technology resources(otherwise these expenses are included in institutional support.) Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.
Tuition and fees (published charges)	The amount of tuition and required fees covering a full academic year most frequently charged to students. These values represent what a typical student would be charged and may not be the same for all students at an institution. If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an entire academic year is used to estimate average tuition. Required fees include all fixed sum charges that are required of such a large proportion of all students that the student who does not pay the charges is an exception.

2010-11 Survey Materials

Finance

date: 12/29/2010

FAQs

Click one of the following questions to view the answer.

General

1) Who is required to complete this survey?
2) Where do I get the data to fill out this survey?
3) What changes occured in the finance surveys in collection year 2010-11?
4) Why were calculated values for revenues and expenses per Student FTE added to the component?
5) My institution received funds from the American Recovery and Reinvestment Act (ARRA). Where should they be reported?
6) We haven't been audited yet and won't have an audited financial statement until May. Do I still have to fill this out?
7) What period should the finance survey cover?
8) The fiscal year for my institution changed. How do I report for the finance survey?
9) How do I know what reporting standards are used to prepare the financial statements?
10) What happens if I respond incorrectly to the reporting standards screening question?
11) What is the difference between "business-type" activities and "governmental" activities?
12) What is combined reporting and how does it work?
13) Can a system office report combined data?
14) When does a system office need to report data?
15) My institution is part of a system and the system was audited as a unit, so we don't have an opinion just on this school. How do I answer the question about the audit opinion?
16) My institution does not award degrees. Do we still need to complete the Finance component?

Public Institutions Using GASB Standards

1) What changes occured to the survey form for GASB reporting institutions for 2010-11?
2) Can public institutions report using FASB?
3) I see the term CV on several lines of the finance survey. What is this referring to?
4) What are operating versus nonoperating revenues?
5) We reported federal appropriations in operating revenues rather than non-operating revenues in our financial statements. How should I report them on IPEDS?
6) What are some examples of independent operations?
7) I have an edit that says that Other revenue (or expense) can't be negative. I didn't enter it. What do I do?
8) What are discounts and allowances (Part E)? (We don't discount our tuition.)
9) We do not capitalize our library. Do I report it on Part A page 2?
10) Why does operation and maintenance of plant appear as both a row and column in Part C (expenses and other deductions)?
11) If my institution is a GASB-reporter, where should my institution report the gain or loss on the sale of a plant asset?
12) How should my institution report the allocation of depreciation, operation and maintenance of plant (O&M), and interest expenses to the other functional expense categories in Part C?
13) Where did component units go?

Private Not-for-Profit and Public Institutions Using FASB

1) What changes occured to the survey form for FASB, not-for-profit reporting institutions for 2010-11?
2) My institution is primarily a hospital with a small instruction program. How should I report the hospital part of my institution?
3) What are some examples of independent operations?
4) What value do I use to report plant, property, and equipment on the second page of Part A?
5) I have an edit that says that Other revenue (or expense) can't be negative. I didn't enter it. What do I do?
6) I see the term CV on several lines of the finance survey. What is this referring to?
7) What is the difference between funded and unfunded institutional grants as reported on the Student Grants part of the survey?
8) What are allowances in Part C (Scholarships and Fellowships)?
9) Why does operation and maintenance of plant appear as both a row and column in Part E (expenses)?

Private for-profit institutions

1) What changes occured to the survey form for FASB, for-profit reporting institutions for 2010-11?
2) I have an edit that says that Other revenue (or expense) can't be negative. I didn't enter it. What do I do?
3) I see the term CV on several lines of the finance survey. What is this referring to?
4) What are allowances in Part C (Student Grants)?
5) The financial records of my institution do not break down expenses the way they are listed on Part E. How do I report expenses for my institution?

Answers:

General

1) Who is required to complete this survey?

All Title IV postsecondary institutions are required to respond to the Finance survey. Institutions that have a Program Participation Agreement (PPA) with the Department of Education are required to respond. HOWEVER, if your institution is a branch campus of another institution and you SHARE a PPA, then you may make arrangements with the Help Desk to submit one finance survey that covers all of your campuses. Because data provided for institutions are most useful if reported individually, campuses are encouraged to report separately if possible, but reporting together is allowed if the campuses share a PPA.

Back to top

2) Where do I get the data to fill out this survey?

Each institution should have annual financial statements that are audited by an outside auditor. These financial statements are referred to as general purpose financial statements (GPFS). The finance survey is designed to follow the format of the financial statements suggested by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB).

Back to top

3) What changes occured in the finance surveys in collection year 2010-11?

A number of changes were made to the collection forms. Forms for public and private not-for-profit institutions were aligned in order to improve comparability across versions and to increase the utility of the data collected. The changes were optional in collection year 2009-10, and are mandatory in collection year 2010-11.

Back to top

4) Why were calculated values for revenues and expenses per Student FTE added to the component?

The reported finance data, when combined with data reported in the 12-month enrollment component (E12), can help institutions check data that will appear in the institution's data feedback report.

Back to top

5) My institution received funds from the American Recovery and Reinvestment Act (ARRA). Where should they be reported?

GASB-reporting institutions should report ARRA revenues into the total included in Part B, line 19 (Total nonoperating revenues)

Back to top

6) We haven't been audited yet and won't have an audited financial statement until May. Do I still have to fill this out?

YES, you must complete the finance component. Base your response on the information you have at this point. Answer the audit question as "don't know" and make a note in the context section that the financial statements have not yet been audited.

Back to top

7) What period should the finance survey cover?

The finance survey data should come from the last fiscal year that ended on or before October 31, 2010. For example, if your institution's fiscal year ends on June 30, it would come from the financial statements covering the year ending June 30, 2010. If your institution's fiscal year ends on December 31, your financial statements for the year ending December 31, 2009 would be used.

Back to top

8) The fiscal year for my institution changed. How do I report for the finance survey?

A change in fiscal year usually creates a short fiscal year (from the previous fiscal year end date to the new fiscal year end date). This short fiscal year should be covered by the finance survey. The next finance survey should cover a full fiscal year. Also, indicate this change in fiscal year in the caveats box at the bottom of the first page of the survey.

Back to top

9) How do I know what reporting standards are used to prepare the financial statements?

Ask your finance officer. This person should be aware of any changes in accounting standards.

Back to top

10) What happens if I respond incorrectly to the reporting standards screening question?

You will get the wrong finance forms. If you find you have responded incorrectly, go back to the screening question and change your response. When you save the screen the old data will disappear and the new correct forms will be available.

Back to top

11) What is the difference between "business-type" activities and "governmental" activities?

These activity types refer to how the institution reports, or will report, its financial activities in their general purpose financial statements (GPFS), as defined in GASB Statement 34. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Back to top

12) What is combined reporting and how does it work?

Institutional keyholders MUST call the Help Desk before reporting combined data. A Help Desk representative will set up a combined reporting situation for you. We call this a "parent/child" relationship. In this case, one institution reports data for the entire unit, which includes the main campus (parent) and all branch campuses (children). All institutions in the combined report MUST share the same Program Participation Agreement (PPA). Multiple institutions MUST NOT report identical combined data for the same audit.

Back to top

13) Can a system office report combined data?

A system office may report combined data for institutions that are included it its system- wide audit if they are included in the same PPA. For institutions that are not included in the same PPA, the system may report Part A data (Statement of Net Assets, Statement of Financial Position, or Balance Sheet) for the institutions included in the system-wide audit, but each institution must report its own revenues, expenses, and scholarships. A more detailed description may be found at http://nces.ed.gov/ipeds/web2000/jointaudit.asp. If a system will be reporting this way, they must contact the Help Desk before reporting combined data.

Back to top

14) When does a system office need to report data?

A system office needs to report data when reporting combined data or when it has its own separate budget. If a system office's budget is integrated into an institution such as a flagship university, it may be included in that institution's finance survey.

Back to top

15) My institution is part of a system and the system was audited as a unit, so we don't have an opinion just on this school. How do I answer the question about the audit opinion?

You should base your answer on the audit for the system since that audit includes your institution.

Back to top

16) My institution does not award degrees. Do we still need to complete the Finance component?

Yes. However, with the 2009-10 collection year various sections and lines from previous years were eliminated. A more detailed description can be found at http://nces.ed.gov/ipeds/submit_data/changes0910.asp

Back to top

Public Institutions Using GASB Standards

1) What changes occured to the survey form for GASB reporting institutions for 2010-11?

For institutions that **did** report using the aligned form in 2009-10 there are no reporting changes for the 2010-11 collection. However, some other minor non-reporting changes were made including:

- Clarified instructions
- Added a calculated value showing Total operating and nonoperating revenue per student FTE in Part B (Revenues and Other Additions)
- Added a calculated value showing Total expenses and deductions per student FTE in Part C (Expenses and Other Deductions)
- Added prior year values for each functional expense in Part C (Expenses and Other Deductions)
- Added a context box in Part H (Details of Endowment Assets) to explain changes

For institutions that **did not** report using the aligned form in 2009-10 there are numerous reporting changes for the 2010-11 collection. These reporting changes include:

- On Part A (Statement of Net Assets) changed line 2 to read "Depreciable capital assets, net of depreciation" and deleted the line for accumulated depreciation.
- On Part A (Statement of Net Assets) changed the second page as follows:
  - Changed title to "Part A – Capital Assets"
  - Report only ending balance (discontinued reporting beginning balance, additions, and retirements)
  - Combined "Equipment" and "art and library collections"
  - Deleted "Property obtained under capital leases (if not included in equipment)" and clarified instructions to include property obtained under capital leases in the categories that best describe the property, such as equipment, buildings, etc.
  - Added a line for Other capital assets
  - Added a line for "intangible assets, net of accumulated amortization" after the line for accumulated depreciatio

- On Part B (Revenues and Other Additions), separated local operating grants and contracts separately from private operating grants and contracts
- On Part B (Revenues and Other Additions), added sales and services of educational activities
- On Part C (Expenses and Other Deductions) made changes to resemble the form for FASB institutions, by adding columns for operation and maintenance of plant (O&M) and interest, and removing the functional classifications of depreciation and interest. Operation and maintenance of plant as a function are used to allocate O&M to natural classes as it is in the form for FASB institutions. In addition, removed the functional classifications of depreciation and interest which requires public institutions to allocate depreciation and interest to appropriate functional categories – as independent institutions do.
- Parts F and G, used for reporting component units using FASB and GASB standards, is discontinued.
- On Part H (Details of Endowment Assets) added an instruction clarifying that the endowment assets of foundations and affiliated entities should be included.

Additionally, some other minor non-reporting changes were made including:

- Clarified instructions
- Added a calculated value showing Total operating and nonoperating revenue per student FTE in Part B (Revenues and Other Additions)
- Added a calculated value showing Total expenses and deductions per student FTE in Part C (Expenses and Other Deductions)
- Added prior year values for each functional expense in Part C (Expenses and Other Deductions)
- Added a context box in Part H (Details of Endowment Assets) to explain changes

Back to top

2) Can public institutions report using FASB?

Yes, but only in very rare instances. Your finance/business officer will know which version of the finance component should be completed.

Back to top

3) I see the term CV on several lines of the finance survey. What is this referring to?

CV is an abbreviation for Calculated Value. You do not need to enter an amount on this line. Once you click on Verify and Save, the system will calculate the amount based on other data you have entered. A formula may be found in the same block where you find the abbreviation CV.

Back to top

4) What are operating versus nonoperating revenues?

Operating revenues are received in exchange for goods or services provided, such as sales or tuition. The payer must also be the one who receives the services. Nonoperating revenues result from "nonexchange transactions" such as donations, state appropriations, tax revenues, and certain grants.

Back to top

5) We reported federal appropriations in operating revenues rather than non-operating revenues in our financial statements. How should I report them on IPEDS?

Federal appropriations are usually accounted for as non-operating revenues, similarly to state appropriations. Amounts reported as federal appropriations are intended to meet current operating expenses, and not generally intended for a specific purpose as operating revenues are. If, however, the institution included the revenue in operating revenue, report it there for purposes of IPEDS as well.

Back to top

6) What are some examples of independent operations?

Independent operations include federally funded labs such as Argonne at the University of Chicago, the Livermore Labs in the UC system, and the Jet Propulsion Lab at Cal Tech. These are major ancillary operations that are related to the primary missions of instruction, research, and public service but they are so significant as to warrant separate classification.

Back to top

7) I have an edit that says that Other revenue (or expense) can't be negative. I didn't enter it. What do I do?

This amount is a calculated value. It is derived by subtracting the sum of the detail items above this amount from the total below it. Negative amounts in these fields are caused when the total entered is less that the sum of the detail items entered. Check for keying errors and recheck totals. Nonoperating expenses, such as interest on debt, should be reported on Part C.

Back to top

8) What are discounts and allowances (Part E)? (We don't discount our tuition.)

Discounts and allowances are simply the part of scholarships used to pay institutional charges such as tuition and fees or room and board. The difference between total scholarships (reported in the top part of Part E) and net scholarships (reported on Part C) is total discounts and allowances.

Back to top

9) We do not capitalize our library. Do I report it on Part A page 2?

If you do not capitalize it, do not report it in property, plant, and equipment.

Back to top

10) Why does operation and maintenance of plant appear as both a row and column in Part C (expenses and other deductions)?

In the new aligned form for GASB institutions, operation and maintenance of plant appear as both a row and column in Part C (expenses and other deductions). The row and column are designed to be used to show how the institution distributes operation and maintenance (O&M) of plant expenses. The total row and column have zeroes for O&M. Consequently, the cell where the O&M column and row intersect should be a negative number equal to the total O&M expenses of the institution.

Back to top

11) If my institution is a GASB-reporter, where should my institution report the gain or loss on the sale of a plant asset?

Such components in the changes in the net assets of the institution should be reflected in Line 05 in Part D - Summary of Changes in Net Assets. Although this line is a calculated value that is entitled, Adjustments to beginning net assets, this is the most appropriate place for these values to be captured (instead of as Other revenue or Other expenses in Part B or C). Although this type of transaction is NOT an adjustment to beginning net assets, this is the best place for it to be captured in the IPEDS finance component for comparability with FASB-reporters. Additionally, institutions having such type of transactions should explain that in the context box available in Part D.

Back to top

12) How should my institution report the allocation of depreciation, operation and maintenance of plant (O&M), and interest expenses to the other functional expense categories in Part C?

The National Association of College and University Business Officers (NACUBO) has prepared an advisory report (AR 2010-1), entitled, Public Institutions: Methodologies for Allocating Depreciation, Operation and Maintenance of Plant, and Interest Expenses to Functional Expense Categories, to assist public institutions to develop an approach to allocating these expenses among the functional expense categories. The Advisory Report steps through a cost allocation approach. Because independent institutions have been allocating such costs for more than a decade, the Report focuses on methods currently used by independent institutions. The report can be accessed at NACUBO's website (http://www.nacubo.org/).

Back to top

13) Where did component units go?

Separate reporting was eliminated when institutions moved to the new aligned reporting that is mandatory for 2010-11.

Back to top

Private Not-for-Profit and Public Institutions Using FASB

1) What changes occured to the survey form for FASB, not-for-profit reporting institutions for 2010-11?

For institutions that **did** report using the aligned form in 2009-10 there are no reporting changes for the 2010-11 collection. However, some other minor non-reporting changes were made including:

- Clarified instructions
- Added a calculated value showing Total revenues and investment return per student FTE in Part D (Revenues and Investment Return)
- Added a calculated value showing Total expenses per student FTE in Part E (Expenses by Functional and Natural Classification)
- Added prior year values for each functional expense in Part E (Expenses by Functional and Natural Classification)
- Added a context box in Part H (Value of Endowment Assets) to explain changes

For institutions that **did not** report using the aligned form in 2009-10 there are numerous reporting changes for the 2010-11 collection. These reporting changes include:

- On Part A (Statement of Financial Position) added these categories:
  - Property, Plant, and Equipment
  - Accumulated Depreciation
  - Intangible assets, net of accumulated amortization
  - Debt related to Property, Plant, and Equipment
- On Part A (Statement of Financial Position) changed the categories of net assets to:
  - Unrestricted net assets
  - Temporarily restricted net assets
  - Permanently restricted net assets
- On Part A (Statement of Financial Position) changed the second page as follows:

    - Added these categories:
        - Construction in progress
        - Other
        - Accumulated deprecation
    - Deleted "Property obtained under capital leases (if not included in equipment)" and clarified in the instructions to include property obtained under capital leases in the categories that best describe the property, such as equipment, buildings, etc.
- On Part C changed the title from "Student Grants" to "Scholarships and Fellowships" in order to be consistent with the form for GASB institutions.
- On Part D (Revenues and Investment Return) changed the format so that they are reported in 3 columns:
    - Unrestricted
    - Temporarily restricted
    - Permanently restricted
- On Part D (Revenues and Investment Return) made these additional changes:
    - Added a line for "net assets released from restriction" that can allow both positive and negative amounts.
    - Separated "Private gifts, grants, and contracts" to allow gifts to be reported separately from private grants and contracts.
- On Part H (Value of Endowment Assets) added an instruction to clarify that the endowment assets of foundations and affiliated entities should be included.

Additionally, some other minor non-reporting changes were made including:

- Clarified instructions
- Added a calculated value showing Total revenues and investment return per student FTE in Part D (Revenues and Investment Return)
- Added a calculated value showing Total expenses per student FTE in Part E (Expenses by Functional and Natural Classification)
- Added prior year values for each functional expense in Part E (Expenses by Functional and Natural Classification)
- Added a context box in Part H (Value of Endowment Assets) to explain changes

Back to top

2) My institution is primarily a hospital with a small instruction program. How should I report the hospital part of my institution?

Hospitals with a small nursing school or radiologic technology program should report activity for the instructional program only. The hospital revenues and expenses should not be included. If the instructional program revenues and expenses cannot be separated from the hospital, contact the Help Desk for further options for reporting.

Back to top

3) What are some examples of independent operations?

Independent operations include federally funded labs such as Argonne at the University of Chicago, the Livermore Labs in the University of California system, and the Jet Propulsion Lab at Cal Tech. These are major ancillary operations that are related to the primary missions of instruction, research, and public service but they are so significant as to warrant separate classification.

Back to top

4) What value do I use to report plant, property, and equipment on the second page of Part A?

This is the book value (or the value reported in the accounting records) of these assets without consideration for accumulated depreciation. This amount should be reported in the notes to the financial statements, or may be supplied by the business/finance officer of the institution.

Back to top

5) I have an edit that says that Other revenue (or expense) can't be negative. I didn't enter it. What do I do?

This amount is a calculated value. It is derived by subtracting the sum of the detail items above this amount from the total below it. Negative amounts in these fields are caused when the total entered is less that the sum of the detail items entered. Check for keying errors and recheck totals.

Back to top

6) I see the term CV on several lines of the finance survey. What is this referring to?

CV is an abbreviation for Calculated Value. You do not need to enter an amount on this line. Once you click on Verify and Save, the system will calculate the amount based on other data you have entered. A formula may be found in the same block where you find the abbreviation CV.

Back to top

7) What is the difference between funded and unfunded institutional grants as reported on the Student Grants part of the survey?

Funded grants are institutional resources restricted for student aid, such as scholarships and fellowships. They have been restricted by an outside source such as a donor or contract. Unfunded institutional grants are those that are awarded to students from unrestricted institutional resources.

Back to top

8) What are allowances in Part C (Scholarships and Fellowships)?

Allowances are the portion of scholarships awarded to students that are used to pay institutional charges such as tuition and fees or room and board.

Back to top

9) Why does operation and maintenance of plant appear as both a row and column in Part E (expenses)?

The row and column are designed to be used to show how the institution distributes operation and maintenance (O&M) of plant expenses. Since not- for-profit accounting does not recognize O&M as a function, the total row and column have zeroes for O&M. Consequently, the cell where the O&M column and row intersect should be a negative number equal to the total O&M expenses of the institution.

Back to top

Private for-profit institutions

1) What changes occured to the survey form for FASB, for-profit reporting institutions for 2010-11?

There are no reporting changes for the 2010-11 collection. However, some other minor non-reporting changes were made including:

- Clarified instructions
- Added a calculated value showing Total revenues and investment return per student FTE in Part D (Revenues and Investment Return)
- Added a calculated value showing Total expenses per student FTE in Part E (Expenses by Function)
- Added prior year values for each functional expense in Part E (Expenses by Function)

Back to top

2) I have an edit that says that Other revenue (or expense) can't be negative. I didn't enter it. What do I do?

This amount is a calculated value. It is derived by subtracting the sum of the detail items above this amount from the total below it. Negative amounts in these fields are caused when the total entered is less that the sum of the detail items entered. Check for keying errors and recheck totals.

Back to top

3) I see the term CV on several lines of the finance survey. What is this referring to?

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Back to top

4) What are allowances in Part C (Student Grants)?

Allowances are the portion of scholarships awarded to students that are used to pay institutional charges such as tuition and fees or room and board.

Back to top

5) The financial records of my institution do not break down expenses the way they are listed on Part E. How do I report expenses for my institution?

The functional categories listed for expenses are recommended by the National Association of College and University Business Officers (NACUBO). If you do not break down expenses into the categories on Part E, they will all appear in the line titled "All other expenses" when you click on verify and save. A box is provided at the bottom of the screen where you can explain how your expenses are divided and why you cannot report them in the categories listed.

Back to top

Finance For-Profit

date: 12/29/2010

Finance for degree granting private, for-profit institutions

Integrated Postsecondary Education Data System

IPEDS Web-Based Data Collection 2010-11 Edit Specifications for the Finance Survey

Private For-Profit Institutions Using FASB

- Part A – Balance Sheet Information
- Part B – Summary of Changes in Equity
- Part C – Student Grants
- Part D – Revenues and Investment Return
- Part E – Expenses by Function

Part A – Balance Sheet Information

Amounts are required for total assets and total liabilities. Total equity is calculated as the difference between total assets and total liabilities. The amount entered for total assets will be used as the total of total liabilities and equity. Amounts for total assets and total liabilities may not be negative. Any zero amounts in lines 1 through 4 will require an explanation. Total liabilities and equity for the current year is expected to fall between 40% and 160% of the prior year's amount.

Top

Part B – Summary of Changes in Equity

Amounts are required for total revenues, total expenses, and equity at the beginning of the year. Entries of zero for any of these categories will require explanations. A negative entry for total expenses must be corrected.

Equity, end of year (line 8) will carry forward from Part A, line 3, total equity. The adjustments to beginning net equity is computed by subtracting the sum of net income (line 4), other changes in equity (line 5), and equity at the beginning of the year (line 6) from the value carried forward for equity at the end of the year.

The amounts entered for total revenues (line 1) and total expenses (line 2) are carried forward to Parts D and E, respectively.

Top

Part C – Student Grants

Explanations are required if the amounts reported for any of the student grant categories are less than zero. Total student grants are calculated as the sum of lines 1 through 4 and should not be zero. The total of student grants is expected to be between 40% and 160% of the amount reported in the prior year, and should be greater than or equal to the sum of the allowances reported on lines 6 and 7.

Top

Part D – Revenues and Investment Return

Tuition and fees are expected for all institutions. An explanation is required for any amount entered that is less than or equal to zero for this category. Negative entries in any category in this Part will require an explanation.

The total revenues and investment return amount entered on part B, line 1 is carried forward to this Part, line 8. Other revenue is computed as the difference between total revenues and investment return and the sum of the detail items from lines 1 through 7. If the total entered on Part B, line 1 is less than the sum of the detail items, a negative amount will result for Other revenue, which will require an explanation.

Top

Part E – Expenses by Function

An amount must be reported for total instruction expenses. If the amount is zero or negative, an explanation will be required.

Total expenses as reported on line 7 is carried forward from Part B, line 2. The amount for other expenses (line 6) is calculated as the difference between the total expenses on line 7 and the sum of the related expenses entered on lines 1 through 5. If the amount from line 7 is less than the sum of the functions above, a negative amount will result, requiring an explanation.

Top