

Frequently Asked Questions Finance Survey

General Issues

- Question **Who is required to complete this survey?**
Answer 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.
- Question **What is combined reporting and how does it work?**
Answer 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.
- Question **Can a system office report combined data?**
Answer A system office may report combined data for institutions that are included in 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.
- Question **When does a system office need to report data?**
Answer 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.
- Question **Where do I get the data to fill out this survey?**

Answer Each institution should have annual financial statements that are audited by an external 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).

Question **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?**

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

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

Answer 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 caveat section that the financial statements have not yet been audited.

Question **What period should the finance survey cover?**

Answer The finance survey data should come from the last fiscal year that ended on or before October 31, 2004. 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, 2004. If your institution's fiscal year ends on December 31, your financial statements for the year ending December 31, 2003 would be used.

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

Answer 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.

Question **How do I know what reporting standards are used to prepare the financial statements?**

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

Question **What happens if I respond incorrectly to the reporting standards screening question?**

Answer 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.

- Question **What is the difference between “business-type” activities and “governmental” activities?**
- Answer 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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Public Institutions Using New GASB Standards

- Question **When will I be required to complete the new finance survey (new GASB)?**
- Answer The new reporting form is optional through the Spring of 2004. It is expected that institutions will begin using the new form as they convert to the new accounting standards of GASB 34 and 35, because it more closely follows the reporting requirements of the new standards. All public institutions using GASB standards must use the new reporting form beginning in Spring 2005 for the fiscal year ending in 2004.
- Question **Can public institutions report using FASB?**
- Answer YES, but only in very rare instances. Your finance/business officer will know which version of the finance component should be completed.
- Question **I see the term CV on several lines of the finance survey. What is this referring to?**
- Answer 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.
- Question **Do I include my institution in the component units?**
- Answer No. Only organizations that are not included in the primary institution, but included on the financial statements in a separate column should be counted here.
- Question **What are operating versus nonoperating revenues?**
- Answer 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.

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

Answer 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. The GPFS are always the first source for classification.

Question **What are some examples of independent operations?**

Answer 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.

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

Answer 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 than the sum of the detail items entered. Check for keying errors and recheck totals.

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

Answer 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.

Question **We don't capitalize our library. Do I report it on Part A page 2?**

Answer If you don't capitalize it, don't report it in property, plant, and equipment.

Question **We don't report any component units on our financial statements. What do we do on IPEDS?**

Answer Put zeroes in the screening question and no screens will appear for your school for these.

Question **What is the difference between "Entities included" and "Primary purpose of unit" on Parts F and G?**

Answer You would list each of the organizations you are reporting in this form on the line "Entities included," such as LSU Foundation, Tiger Club, LSU

Athletic Association. The “Primary purpose of unit” would be fundraising, athletic booster clubs, etc.

Private Not-for-Profit and Public Institutions Using FASB

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

Answer 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.

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

Answer 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.

Question **What are some examples of independent operations?**

Answer 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.

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

Answer 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.

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

Answer 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.

Question **What are allowances (Part C)?**

Answer 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.

Private for-profit institutions

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Answer 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.

Question **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?**

Answer 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.