IPEDS

2015 CACUBO Higher Education Accounting Workshop
Goals of this Session (Discussion)
Another Acronym????
Agenda

- Who Uses it
- What are your key responsibilities as a business officer
- Implementation Notes
- Collaborative Discussion
Background

- Integrated Postsecondary Education Data System
- National Center for Education Statistics
- Data Covers Broad Institutional Categories
  - Institutional Characteristics (IC)
  - Enrollment (E12 and EF)
  - Graduation rates (GR)
  - Human Resources (HR)
  - Finance (F)
Background

- Accuracy and Comparability of data
  - “History and Origins of Survey Items”
  - Practical experience example

- Industry Articles and Commentary
Users of Data
Users of Data

- Your Future Students
  - College Affordability and Transparency Center
  - College Navigator
State Performance Funding

- In place at two-year institutions
- In place at four-year institutions
- In place at two- and four-year institutions
- In transition

[Map of the United States showing states in different colors to represent different funding statuses.]
State Performance Funding

- Missouri
  - 2-Year Institutions
    - E&G and instruction per credit hour
  - 4-Year Institutions
    - Instruction, research and public service as % of total

- Michigan
  - Institutional support as a % of core expenses

- Does this impact Private Institutions?
Are We Required to Do this?

- Regulations
- Fines
- Schedule
  - Data collection occurs in phases based on survey type
  - For finance, generally due in April following year end (i.e. 6/30/14 data input by April 2015).
Terminology

- 35 pages of content on definitions
- 5 different definitions for State Grants
- NACUBO FARM
  - Effective June 1, 2015, online version is FREE to all members
The Finance Survey

- Resources
  - Your Audited Financial Statements
  - NACUBO
    - FARM manual
    - Advisory report 2010-1 (a required read)
- Other
  - http://www.airweb.org/EducationAndEvents/IPEDSTraining/Tutorials/Pages/AllocatingExpenses.aspx
- YOUR PEERS!!!!!!
The Finance Survey

Resources

- IPEDS
  - Note – navigation on website is a little difficult – be patient!
  - List serve:
    - http://ipedslistserv.rti.org/
  - Resource section on NCES site
    - https://surveys.nces.ed.gov/ipeds/
## The Finance Survey

### Table: Comparison of GASB and FASB

<table>
<thead>
<tr>
<th>Item</th>
<th>GASB</th>
<th>FASB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets &amp; Liabilities</td>
<td>Limited focus on this - 2014 Survey did not include deferred inflows/outflows - Discuss component units</td>
<td>Even less info than GASB</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
<td>Grants in aid, tuition/fee waivers, Pell grants, etc - Excludes awards that require performance of services - Excludes loans - Excludes awards to parent of student if faculty/staff</td>
<td>Identical</td>
</tr>
<tr>
<td>Institutional Grants</td>
<td><strong>Restricted</strong> are those funded from net asset categories defined as restricted (expendable)</td>
<td><strong>Funded</strong> are those that are restricted by an external party - Those grants supported by a quasi-endowment should be categorized with “unfunded”</td>
</tr>
<tr>
<td>Discount and allowances</td>
<td>Should come directly from Financial statements - Will result in a calculated value</td>
<td>Should come directly from financial statements - No net resulting calculated value</td>
</tr>
</tbody>
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<tr>
<th>Item</th>
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<tr>
<td>Revenues and other additions</td>
<td>- Mostly follows F/S presentation - Be careful to remove non operating expenses that have been netted with revenues</td>
<td>- Somewhat follows F/S presentation - Be careful to analyze if your institution elects to report certain revenue items “below the line”</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>- Generally not significant for most schools, so “buried” in F/S presentation - Remove COGS if net in F/S</td>
<td>- No differences compared to GASB</td>
</tr>
<tr>
<td>Sales and services of auxiliary enterprises</td>
<td>- Those activities that are managed as self supporting - E.G. residence halls, food services, student health services, athletics, unions, stores, movie theatre, etc</td>
<td>- No difference compared to GASB</td>
</tr>
<tr>
<td>Independent operations</td>
<td>Those that are independent of or unrelated to the primary mission of the institution</td>
<td>- No difference compared to GASB</td>
</tr>
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<td>Investment income/return</td>
<td>-Generally, use the “total return” amount</td>
<td>-No differences compared to GASB</td>
</tr>
<tr>
<td></td>
<td>-Guidance silent to treatment of related expenses</td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>-Costs of colleges, schools, departments and instructional divisions.</td>
<td>-No differences compared to GASB</td>
</tr>
<tr>
<td></td>
<td>-Expenses for departmental research and public service not separately budgeted for.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-IT costs if separately tracked for instruction (otherwise to academic support)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Allocation of plant, depreciation &amp; interest expenses</td>
<td></td>
</tr>
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<td>Item</td>
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<td>FASB</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Research</td>
<td>-Expenses related to activities specifically organized to produce research outcomes and commissioned by an agency externally or separately budgeted and tracked by the institution.</td>
<td>-No differences compared to GASB</td>
</tr>
<tr>
<td></td>
<td>-Excludes non research sponsored programs (training)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Plant, depreciation, IT and interest</td>
<td></td>
</tr>
<tr>
<td>Public Service</td>
<td>-Expenses related to non instruction services designed to benefit individuals and groups external to the institution</td>
<td>-No differences compared to GASB</td>
</tr>
<tr>
<td></td>
<td>-Conferences, institutes, community services, public broadcasting, extension services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Plant, depreciation, IT and interest</td>
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<td>Academic Support</td>
<td>-Activities that support the primary mission</td>
<td>--No differences compared to GASB</td>
</tr>
<tr>
<td></td>
<td>-Retention, preservation and display of educational materials (libraries, museums and galleries)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Academic administration (deans, but not department chairs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-Formally organized and separately budgeted academic personnel development, course and curriculum development costs</td>
<td></td>
</tr>
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<td></td>
<td>-IT, plant, depreciation and interest</td>
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| Student Services   | - Costs for admissions, registrar, 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.  
                      - Student activities, cultural events, student newspaper, intramurals, student organizations, etc.  
                      - Athletics and health services included when NOT operated as self-supporting auxiliary  
                      - IT, plant, depreciation and interest                                                                                                          | - No differences compared to GASB                                                                                                                                                                    |
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<td>Institutional Support</td>
<td>- Costs to support day-to-day operations</td>
<td>- No differences compared to GASB</td>
</tr>
<tr>
<td></td>
<td>- G&amp;A expenses, executive activities focused on strategic plan, legal and fiscal operations, space management, employee/personnel records, logistics, purchasing, printing, etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Public relations &amp; development/advancement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- If IT is not separately budgeted and tracked for other categories, allocate here.</td>
<td></td>
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| **Operation of Plant & Maintenance** | - Specific examples include utilities, fire protection, property insurance, etc  
- Does include amounts charged to auxiliary, hospitals, and other independent activities  
- Note – GASB data in IPEDS PRIOR to 2010 did not include amounts charged to auxiliary, hospitals, and independent activities | - No differences compared to GASB, other than historical data is consistent (no pre-2010 differential). |
| **Auxiliary Expenses**              | - Costs related to self-supporting activities that exist to furnish a service to students, faculty or staff, and that charge a fee that is directly related to the service.  
- Residence halls, food service, student health. Athletics (only if self-supporting), unions, stores, parking.  
- IT, plant, depreciation and interest | - No differences compared to GASB |
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| Hospital Services   | - Costs of operating a hospital by the institution (but not as a component unit).  
                        - Includes nursing expenses, general services, fiscal, etc.  
                        - IT, plant, depreciation and interest | - No differences compared to GASB                                      |
| Expenses per student| - Takes total costs and divides by enrollment data entered in separate survey  
                        - Calculated value (no override)                                     | - No differences compared to GASB                                      |
| Endowment Assets    | - Gross fair value of all restricted and designated endowments, as well as those assets that are functioning as an endowment  
                        - Include assets from component units regardless of blended vs. discrete | - Data should correctly directly to your endowment footnote in the financial statements |
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<td>Data for Bureau of Census</td>
<td>- Similar to information already entered, but does not link</td>
<td>- You’re lucky – not required.</td>
</tr>
<tr>
<td></td>
<td>- Note information will be needed on capital outlays</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Additional information on financing activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Note potential overlap between debt service cash and bond fund cash</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Interest paid only on revenue debt</td>
<td></td>
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The Finance Survey

- 2013 comparative analysis of institutions in today’s audience
  - Expense ratios
  - FTE spread
  - Cost per student
  - Treatment of athletics
  - Allocations of plant by category
The Finance Survey

- Preparation & Review Considerations
  - Interdepartmental collaboration
- Expectations on time
- Industry practices of note
Trivia Session
Expense Allocations

- Methods and common mechanisms
  - Direct expenses by function
  - Salaries and wages by function
  - Utilized or utilizable square footage
  - Combination
  - Leverage existing methodology present if costs are allocated to “funded” projects/grants/etc

- Review highlights of NACUBO report
Other Relevant Survey Data

- 12-month head count
  - Based on 7/1 – 6/30 period regardless of institutional fiscal calendars
  - IPEDS calculates based on reported credit hours
  - Includes input for unduplicated head count
  - Provides section and criteria for override of calculated FTE vs. Institutionally reported FTE
    - Remember, this value is a key driver in the cost per student value that is widely disseminated
Other Relevant Survey Data

- **Student Financial Aid and Net Price**
  - Large amounts of detail and data
  - Very similar to (and some overlap) with FISAP
  - Cost of attendance is a crucial component
  - Data is published on ED’s College Navigator and Affordability/Transparency lists

- **Outcome Measures**
Group Discussion

- Keyholders and IPEDS coordinators at your school
- Institutional awareness to use of and sensitivity to IPEDS data
- Impact of future accounting changes on data
  - GASB pension accounting
  - NFP financial reporting exposure draft
Group Discussion

- Resources that you have found useful in the IPEDS preparation and analysis process
- Examples of costs that you commonly consider or do allocate