

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore, 5th Floor
Long Beach, California 90802-4275
(562) 951-4610

Date: July 7, 1999 **Code:** AD 99-10

To: Vice Presidents for Administration

From: William P. Musselman
Acting Director of Accounting
Business and Finance

Subject: Addendum to Year-End Instructions (AD 99-09)

Two changes have been made to the year-end instructions (AD 99-09), which affect: (1) FIRMS submission of Auxiliary Organizations, and (2) the Certification letter to the State Controller's Office.

FIRMS Data Submission of Auxiliary Organization Information:

As a result of a memorandum (Attachment A) issued June 8, 1999 by Richard West regarding reporting of GAAP based Auxiliary organization financial information for inclusion in IPEDS, the amount of auxiliary organization information required to be submitted to FIRMS prior to October 1 will be greatly reduced. For the first submission of June 30, 1999 information (referred to as the "July" submission **due August 2 in 1999**), only the following four line items will be required:

- 1) Expenditures – Federal
- 2) Expenditures – Other
- 3) Revenues – Federal
- 4) Revenues - Other

A second submission will include information that can be directly tied to the audited financial statements.

Page 9, item (3) of AD 99-09 has been modified to reflect these new changes. The modified copy of AD99-09 (complete with attachments) can be viewed at <http://www.calstate.edu/tier3/acct/>. Continue to follow the instructions in this section for downloading the worksheet and submitting the data, but note that the above four line items will be the only lines of information filled in **for each Auxiliary Organization**. (A copy of the format to use for the July submission is provided on Attachment B.)

Certification Letter to the State Controller

The State Controller has agreed to accept the certification letters we have used in the past as long as we include (1) agency name and (2) agency number and enclose the table of contents. The revised sample included in Attachment II of AD 99-09 will be acceptable and will not disqualify a campus for the Award of Achieving Excellence in Financial Reporting given by the SCO. Again, please refer to website <http://www.calstate.edu/tier3/acct/> for copy of AD 99-09.

If you have any questions about these changes, please contact Ruth Stipp at (562) 591-4610 or e-mail her at rstipp@calstate.edu.

WPM:RS:tp AD 99-10

Attachments

Distribution: Presidents
Financial Managers
Accounting Officers
Budget Officers
Chancellor's Office

AUXILIARY - IPEDS REPORTING SUMMARY

BACKGROUND

The Integrated Postsecondary Education Data System (IPEDS) is the U.S. Department of Education's (Department) program for the collection of Postsecondary education data. The annual request for information from the Department consists of seven surveys covering such topics as enrollments, staffing, degree completions and finances. Completion of the surveys is mandatory for all institutions that participate in any federal financial assistance program.

The data is used by entities such as the National Center for Education Statistics to produce various federal publications, The California Postsecondary Education Commission, The Chronicle of Higher Education, and US News and World Report's survey of U.S. Universities. In addition, IPEDS data is used to identify and compare peer institutions.

Although auxiliary organizations are a significant part of the CSU community and IPEDS does provide for the inclusion of auxiliary financial data in the finance survey, the CSU has traditionally not included this information. With the recent advancements made by the CSU in the breadth of its published consolidated financial statements, the system is now positioned to make a reporting change. Including the auxiliary financials in the IPEDS survey would state the true scope of the campuses' operations, thereby making CSU campuses comparable with other educational institutions in the nation.

REVISED REPORTING REQUIREMENTS

The change to include auxiliary financial information in the IPEDS report will be handled in a phased manner due to the late timing of this change. Beginning in this fiscal year (98/99), campuses may provide auxiliary organization financials for inclusion in the IPEDS finance survey. (Preparation of the IPEDS reports will continue to be handled by the Chancellor's Office.) For this current year, submittal of the auxiliary information to the detail required by IPEDS is voluntary. All auxiliary information historically collected to support the GAAP reporting will still be required.

Starting in fiscal year 99/2000, all campuses will need to submit auxiliary financial information for inclusion in IPEDS. The information is to be submitted electronically in FIRMS format

Attached is a spreadsheet format for the data required in IPEDS reporting. Preparation of the spreadsheet is based on the campuses' audited auxiliary

financial statements. You will note that the level of detail required for IPEDS purposes is somewhat greater than that used to prepare the GAAP statements. The additional detail appears in bolded italics on the spreadsheet, i.e, Salaries & Wages etc. IPEDS instructions do permit the use of estimates where exact data does not exist, and it is acceptable to estimate the greater level of detail. However, the total in each category must tie to the GAAP statement.

Also note that a difference exists between the current method of reporting auxiliary data in FIRMS and the manner in which the data is prepared for IPEDS purposes. Currently, auxiliary FIRMS data is reported by auxiliary organization ID number (Sub Agency Code) whereas the IPEDS data is prepared by fund type.

A limited amount of data must still be submitted in FIRMS format in July before the GAAP audit is completed in order to meet CSU budget submittal deadlines - whether or not a campus elects to submit auxiliary information for IPEDS this year. In the July submission, each auxiliary organization will need to report just four line items (revenues-Federal, revenues-other, expenditures-Federal, and expenditures-other). Compared with current July reporting requirements, this will be a more simplified submission. (The current July submission contains a full set of financial data including the balance sheet items (i.e., assets, liabilities, and fund balance) and the details of revenues and expenditures at program level.) The November submissions for auxiliary information will be used for IPEDS (if detail is included) and other GAAP based reporting.

The goal is to submit the data in the same manner auxiliary data is currently reported at year-end through FIRMS. Although some campuses experienced problems in transmitting auxiliary data last year, the Corporate Information Management (CIM) department has made changes to simplify the process and will continue to consolidate data collection efforts. CIM will also assist campuses in solving transmission problems and if necessary, alternative means of submitting the data will be provided.

Auxiliary Organization Information Needed for IPEDS

FIRMS Fields	Activity_ Period	Record _Type	Agency_ Code	Sub_ Agency_ Code	Organiz- ation	State_ Legal_ Entity	Approp _ref	CSU _Fund	Year_of _Approp	Year_of _Budget	Project_ No	Program_ Code	Object _Code	Amount	FTE_ Positions 4 [2 decimal places]
	6	2	4	2	6	4	3	3	4	4	5	4	6	14 [2 decimal places]	
Categories															
Revenues															
Fees	199906	10		999	000000	6610	560		1998	1998	00000	5000	501000		
Investment Income															
Interest Income	199906	10		999	000000	6610	560		1998	1998	00000	5000	508004		
Other Investment Income	199906	10		999	000000	6610	560		1998	1998	00000	5000	508090		
Endowment Income	199906	10		999	000000	6610	560		1998	1998	00000	5000	510000		
Federal Grants and Contracts	199906	10		999	000000	6610	560		1998	1998	00000	5000	503100		
State Grants & Scholarships	199906	10		999	000000	6610	560		1998	1998	00000	5000	503200		
Private Gifts, Grants and Contracts	199906	10		999	000000	6610	560		1998	1998	00000	5000	503401		
Sales and Services of Auxilliary Enterprises	199906	10		999	000000	6610	560		1998	1998	00000	5000	504000		
Other Revenue	199906	10		999	000000	6610	560		1998	1998	00000	5000	580090		
Total Revenue														\$0.00	
Expenditures															
Education and General:															
Instruction															
Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0100	601000		
Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0100	660090		
Research															
Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0200	601000		
Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0200	660090		
Public Service															
Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0300	601000		
Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0300	660090		
Academic Support															
Library Expenditures															
Acquisition of Library Materials	199906	10		999	000000	6610	560		1998	1998	00000	0401	608000		
Library Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0401	601000		
Other Library Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0401	660090		
Other Academic Support Expenditures															
Other Academic Support Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0400	601000		
Other Academic Support Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0400	660090		
Student Services															
Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0500	601000		
Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0500	660090		
Institutional Support															
Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0600	601000		
Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0600	660090		
Operation and Maintenance of Plant															
Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	0700	601000		
Utilities	199906	10		999	000000	6610	560		1998	1998	00000	0704	605000		
Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	0700	660090		
Student Grants & Scholarships	199906	10		999	000000	6610	560		1998	1998	00000	0800	609000		
Other Expenditures:															
Auxiliary Enterprise Expenditures															
Salaries & Wages	199906	10		999	000000	6610	560		1998	1998	00000	2001	601000		
Other Expenditures	199906	10		999	000000	6610	560		1998	1998	00000	2001	660090		
Expended for Plant Facilities															
Expended for Equipment Purchase	199906	10		999	000000	6610	560		1998	1998	00000	0706	607009		

Auxiliary Organization Information Needed for IPEDS

Expended for Construction	199906	10	999	000000	6610	560	1998	1998	00000	0706	607006		
Expended for Land Purchase	199906	10	999	000000	6610	560	1998	1998	00000	0706	607002		
Retirement of Indebtedness	199906	10	999	000000	6610	560	1998	1998	00000	0706	660007		
Interest on Indebtedness	199906	10	999	000000	6610	560	1998	1998	00000	0706	660006		
Total Expenditures												\$0.00	0.00
Assets													
Cash and cash equivalents	199906	10	999	000000	6610	560	1998	1998	00000	9002	101000		
Investments	199906	10	999	000000	6610	560	1998	1998	00000	9002	108000		
Accounts Receivable	199906	10	999	000000	6610	560	1998	1998	00000	9002	103000		
Allowance For Uncollectable Accounts	199906	10	999	000000	6610	560	1998	1998	00000	9002	104000		
Pledges Receivable, net	199906	10	999	000000	6610	560	1998	1998	00000	9002	103007		
Due From Other Funds	199906	10	999	000000	6610	560	1998	1998	00000	9002	105000		
Prepaid Expenses	199906	10	999	000000	6610	560	1998	1998	00000	9002	107000		
Fixed Assets													
Land	199906	10	999	000000	6610	560	1998	1998	00000	9002	110001		
Buildings	199906	10	999	000000	6610	560	1998	1998	00000	9002	110002		
Equipment	199906	10	999	000000	6610	560	1998	1998	00000	9002	110006		
Other Assets	199906	10	999	000000	6610	560	1998	1998	00000	9002	190090		
Total Assets												\$0.00	
Liabilities													
Accounts Payable	199906	10	999	000000	6610	560	1998	1998	00000	9002	201001		
Accrued Salaries and Benefits Payable	199906	10	999	000000	6610	560	1998	1998	00000	9002	208001		
Accrued Compensated Absences	199906	10	999	000000	6610	560	1998	1998	00000	9002	208002		
Due to Other Funds	199906	10	999	000000	6610	560	1998	1998	00000	9002	202000		
Deferred Revenues	199906	10	999	000000	6610	560	1998	1998	00000	9002	205000		
Other Current Liabilities	199906	10	999	000000	6610	560	1998	1998	00000	9002	250000		
Capitalized Lease Obligations	199906	10	999	000000	6610	560	1998	1998	00000	9002	260002		
Notes Payable	199906	10	999	000000	6610	560	1998	1998	00000	9002	261000		
Bonds Payable	199906	10	999	000000	6610	560	1998	1998	00000	9002	262000		
Depository Accounts	199906	10	999	000000	6610	560	1998	1998	00000	9002	206001		
Other Long-Term Liabilities	199906	10	999	000000	6610	560	1998	1998	00000	9002	263090		
Total Liabilities												\$0.00	
Fund Balances and Net Assets													
Investment in Fixed Assets	199906	10	999	000000	6610	560	1998	1998	00000	9002	302000		
Fund Balances (Net Assets) Unrestricted	199906	10	999	000000	6610	560	1998	1998	00000	9002	305021		
Fund Balances (Net Assets) Restricted	199906	10	999	000000	6610	560	1998	1998	00000	9002	303090		
Unexpended Plant	199906	10	999	000000	6610	560	1998	1998	00000	9002	305001		
Funds for retirement of plant debt Balance	199906	10	999	000000	6610	560	1998	1998	00000	9002	304001		
Funds for renewals and replacement Balance	199906	10	999	000000	6610	560	1998	1998	00000	9002	304002		
Total Fund Balances and Net Assets												\$0.00	
Total Liabilities, Fund Balances and Net Assets												\$0.00	

Note:

- (1) Information needs to be provided for applicable line items by the type of funds defined below. Depending on the operational nature of the auxiliary organizations, not all funds types may be applicable. For example, auxiliary organizations at some campuses may have only current funds and endowment funds.
- (2) The amounts reported here should tie to the amounts in GAAP financial statements.
- (3) Whereas FIRMS data submitted in July is reported for each auxiliary organization at each campus, auxiliary organizations can be combined by each campus on this report. However, the information needs to be provided separately for each type of GAAP fund classification (e.g., Current Funds Unrestricted, Endowment, etc.)

Auxiliary Organization Information Needed for IPEDS

CSU Funds for Auxiliary Organizations	
CSU Fund 901	Auxiliary Organization - Current Funds Unrestricted
CSU Fund 902	Auxiliary Organization - Current Funds Restricted
CSU Fund 903	Auxiliary Organization - Endowment Funds
CSU Fund 904	Auxiliary Organization - Quasi Endowment Funds
CSU Fund 905	Auxiliary Organization - Plant Funds
CSU Fund 906	Auxiliary Organization - Plant Funds - Debt Service
CSU Fund 907	Auxiliary Organization - Plant Funds - Renewals & Replacement
CSU Fund 908	Auxiliary Organization - Loan Funds
CSU Fund 909	Auxiliary Organization - Agency Funds

Summary of differences between FIRMS data submitted in July and IPEDS data submitted in November

FIRMS Data Submitted in July Before GAAP Audit	IPEDS Data Submitted in November After GAAP Audit
Does not contain GAAP adjustments. Reported for each individual auxiliary organization. Reported under one CSU Fund 900 (Auxiliary Organization). Amounts reported at program category level.	Reports amounts included in GAAP basis financial statements. Auxiliary organizations can be combined at each campus. Reported for each applicable GAAP fund classification. Amounts reported for line items needed for IPEDS.

FIRMS Transactions for Auxilliary Organizations

FIRMS Fields	Activity_ Period	Record _Type	Agency_ Code	Sub_ Agency _Code	Organiz- ation	State_ Legal_ Entity	Approp _ref	CSU _Fund	Year_of _Approp	Year_of _Budget	Project_ No	Program_ Code	Object _Code	Amount	FTE_ Positions
	6	2	4	2	6	4	3	3	4	4	5	4	6	14 [2 decimal places]	4 [2 decimal places]
Revenue from Federal Funds	199906	10			000000	6610	501	900	1998	1998	00000	5000	503108		0.00
Other Revenue	199906	10			000000	6610	560	900	1998	1998	00000	5000	580090		0.00
Expenditures from Federal Funds	199906	10			000000	6610	501	900	1998	1998	00000	2001	660090		0.00
Other Expenditures	199906	10			000000	6610	560	900	1998	1998	00000	2001	660090		0.00