

GAAP financial statements, the Chancellor's Office may well have issued the AD-NOATs for interest earned for the six months ended June 30. If these AD-NOATs have been issued, campuses must accrue the additional investment income via a GAAP adjustment, as follows:

Unrestricted

Debit Accounts receivable, current
 Credit Investment Income

The additional investment income is considered to represent an accrued receivable, rather than an increase in investments, because the actual transfer of income to the CSU Chancellor's Office does not occur until after June 30.

If this GAAP adjustment is recorded in one fiscal year, it is a timing adjustment, and its effect must be recorded in the following fiscal year as an adjustment to beginning net assets:

Unrestricted

Debit Investment Income
 Credit Net Assets, Unrestricted

The debit to investment income above will be offset by the legal basis credit recorded in the next fiscal year.

Student Loans Receivable

In accordance with GAAP, CSU considers assets to be current that can reasonably be expected, as part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within 12 months of the statement of net assets date. All other assets should be considered noncurrent.

Student loans receivable do not meet the definition of a current asset, as the related payments to be received within 12 months of the statement of net assets date are not available for liquidation of current liabilities. Therefore, the entire student loans receivable balance should be classified as a noncurrent asset on the statement of net assets.