



Policy 2.117

Financial Reporting Classifications for the Statement of Activities

Responsible Official: Vice President for Finance/Chief Finance Officer

Administering Division/Department: Financial Reporting

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Overview

To provide guidelines for reporting measures on the statement of activities, as permitted under FASB Statement of Financial Accounting Standards (SFAS) No. 117. Although no standard definition of operations was provided for higher education, the NACUBO Accounting Principle Council formed a recommendation for the industry which has been adopted by Emory.

Applicability

All employees with consolidated financial reporting responsibility for the University.

Policy Details

The NACUBO Accounting Principle Council recommends, and Emory University has adopted, that the following items be classified as non-operating and should be separately reported within the changes in Unrestricted Net Assets (UNA).

1. Investment gains or income in excess of the institution's spending policy.
2. Net assets released from restrictions related to capital additions or acquisition of long-lived assets.
3. Gifts restricted by donors for capital purposes (acquisition of long-lived assets) if the institution's policy is to record gifts as UNA when expended within the same fiscal period.
4. Changes in the value of split-interest agreements reporting in UNA.
5. Change in the value of derivatives that are not part of the investment portfolio (e.g. interest rate hedges or swap contracts related to institutional debt)
6. Gains and losses on the sale of long-lived plant assets.

7. Gains and losses associated with the issuance, restructuring, and extinguishment of debt.
8. Changes in net assets related to pension and other postretirement benefits other than net periodic costs (as reported under SFAS No.158)
9. Extraordinary gains and losses from unusual or infrequently occurring events.
10. Result of discontinued operations and impairment of long-lived assets that are part of a discontinued operation.
11. Cumulative effect of a change in an accounting principle and prior period adjustments and corrections of errors of prior periods.

The above list for non-operating classification is intended to provide a guideline for the treatment of common transactions for Emory activities. Other non-recurring or unusual transactions should be evaluated for proper financial reporting classification as incurred. Items not considered nonoperating will default to the operating classification for financial reporting.

Definitions

NACUBO: National Association of College and University Business Officers.

Related Links

- Current Version of This Policy: <http://policies.emory.edu/2.117>

Contact Information

Subject	Contact	Phone	Email
Financial Reporting	Controller's Office	404-727-6080	ctrl@emory.edu

Revision History

No previous versions of this policy were found.

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