


## COMPTROLLER POLICY MANUAL

	<b>POLICY: CMP 300</b>
	Section: 300 Deposits of University Funds
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	Responsible office: Comptroller
	Origination date: 01/01/2000
<b>Subject: Classifying Revenue and Expense Reductions</b>	Effective date: 01/01/2000
	Revision date: 05/14/2018

### PURPOSE

To provide guidance for properly recognizing, classifying and reporting monies received by the University as either “revenue” or an “expense reduction.”

### SOURCE

University policy  
GASB Statement 33 and 36.

### CMP 300: Revenue Recognition

#### Identifying Revenue

All monies received by the University from an external source must be identified and treated as either revenue or an expense reduction. Correctly classifying revenue versus expense reductions is critical.

Revenue is defined as funds received from the University’s normal, mission related operations.


Gifts or donations must be directed to the NAU Foundation.

#### Revenue Examples

Below is a partial list of funds received by the University that should be recorded as revenue. These are examples only and this list is not exhaustive:

- Tuition and fees paid by students.
- State appropriated funds.
- Service center revenue.
- Grants and Contracts: sponsored project revenues when the project is awarded by an external sponsor who stipulates conditions with which the University must comply, and that will generally result in an outcome that benefits the resource provider.
- Auxiliary Services – revenue from non-academic units that supply goods or services to faculty, staff or students such as housing or parking permits.
- Receipts from the sale of University property such as used equipment (surplus property sales) or other capital assets.
- Investment revenue such as earned interest.
- Royalty and commission revenue.
- Athletic event ticket sales revenue.

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- Rental for the use of University facilities.
- Other services performed by the University such as organizing and sponsoring events such as conferences, summer camps, etc.
- Financial gifts or donations directed to the NAU Foundation.

**Expense Reduction Examples**

The following are examples of payments received by the University that should be recorded as a reduction to the related expense. These are examples only and this list is not exhaustive. In all cases of monies classified as expense reductions, the deposit must offset previously incurred expenses and not create a negative balance in the account. To the extent possible, the reimbursement should be deposited in the same fiscal year as the original expense.

- Vendor refunds for goods or services purchased by the University such as mail-in rebates or credits for returned items.
- Reimbursements for accidental PCard charges for personal items or services.
- Reimbursements for the incidental use of University resources by faculty, staff or students.