

**NACUBO Accounting Principles Council
September 2021
Work-in-Process**

STANDING GAAP COMMITTEES

Committee	Areas of Focus	Initiatives	Additional Notes / Comments	Completed Items
GASB	<ol style="list-style-type: none"> 1. Relationship with GASB 2. GASB Revenue and Expense recognition project 3. Public Institution tuition discount calculation using the alternative method 	<ol style="list-style-type: none"> 1. Comments due 10/15/21, Disclosure Concepts ED 2. Liaison Meeting with GASB staff, Board chair, and Brian C. (member) – Nov. 10, 2021 – 3:00 Eastern <ul style="list-style-type: none"> ○ “Reset” conversation ○ Effects of proposed standards on higher education; ○ Cost of compliance at the beginning of a project ○ Operating activities – <ul style="list-style-type: none"> ▪ inspired by leasing / lessor question (Lessor accounting and reporting: operating and nonoperating/financing distinctions) ▪ good time to discuss considering financial reporting SRECNP changes. 3. Agenda items for November <ul style="list-style-type: none"> ▪ Operating definition / policy: S34, paragraph 102 ▪ Revenue and expense recognition ▪ Majority equity interests ▪ Fiduciary activities ▪ Capital assets (?) 4. Alternative Method: Discounting project <ul style="list-style-type: none"> ▪ Develop one (or more) better methodology(s) ▪ Target end date: 6/30/22 ▪ If possible, test calculations of tuition discount under two 	<ul style="list-style-type: none"> • GASAC – Peggy Arrivas (until Mar 2022) • Capital Assets <ul style="list-style-type: none"> ○ Research phase roundtables (Tom and Bob) ○ Article for Fall ATQ • Big 3 Projects: <ul style="list-style-type: none"> ○ Reporting model (ED issued) ○ Revenue / Expense Recognition (PV issued) ○ Disclosure Framework (ED issued) 	<ul style="list-style-type: none"> • Annual meeting: public institutions roundtable • Rev and Exp Field Test Debrief 6/17/21, 12 – 1 ET • Comment letter-ED on Compensated Absences • Comment letters on GASB ED for Financial Reporting Model Improvements and PV on Revenue and Expense Recognition. • Revenue and expense field tests – The Ohio State University, George Mason University, and the University of California • Participate in project hearings • HEAF session on Leases (S Bryant MSU) • HEAF session on Rev/Exp project and experience of field testers (T Ewing, S Heinle, M Wheeler)

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		<p>methods (joint project with FASB committee)</p> <p>5. Fiduciary activities:</p> <ul style="list-style-type: none"> ▪ Monitor member/auditor discussions regarding separate fiduciary funds statements ▪ Shines a light on Statement 24, grants with administrative involvement (direct lending exempt) 		
FASB	1. Relationship with FASB	<p>1. Meeting with FASB</p> <ul style="list-style-type: none"> ▪ Likely spring 2022 ▪ Agenda needed ▪ Virtual meeting <p>2. For Public institution “discounting / institutional aid” project: FASB institutions to explain their methodology to GASB workgroup</p> <p>3. NFP expert panel exploring Codification, re: future FASB consolidation project</p>	<ul style="list-style-type: none"> • FASB Not-for-Profit Advisory Committee (NAC) – Drew Paluf representing higher ed. (Term ends 3/23) <ul style="list-style-type: none"> ▪ September meeting recap ▪ Meeting materials 	<ul style="list-style-type: none"> • Comment letter – discount rate flexibility for lessees • Comment on proposed FASB Concept Statement (CS) Concepts Statement 8— Conceptual Framework for Financial Reporting— Chapter 4: Elements of Financial Statements. • HEAF session on Leases (Cornell, U of Rochester)

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PROJECT COMMITTEES

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Audit Items & Internal Controls	<ol style="list-style-type: none"> 1. Areas of Auditor Focus 2. Improved Financial Statement Disclosures 	<ol style="list-style-type: none"> 1. Engage with accounting firms – what’s on their radar? <ol style="list-style-type: none"> a. Invite auditors to Nov APC meeting? b. Agenda? 2. Explore opportunities to better organize and shorten disclosures (NYU is a model). 	<p>AICPA NFP Expert Panel –</p> <ul style="list-style-type: none"> • Sharon is the EP rep thru 2022 <p>NASACT Group</p> <ul style="list-style-type: none"> • Russ H. is participating in NASACT Group on auditing and financial reporting issues. 	<ul style="list-style-type: none"> • GAQC members attended APC call, June 4, 2021

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Regulatory and Compliance	<ol style="list-style-type: none"> 1. Single Audit – <ul style="list-style-type: none"> - HEERF funding - CARES, CRSAA, ARPA - SEFA - Ancillary programs 2. Department of Education – Financial Responsibility Supplemental Schedule Foreign gift/grant reporting 3. IPEDS – Calculation of CFI 4. Cost of compliance 	<ol style="list-style-type: none"> 1. Monitor compliance and address questions with new Department of ED disclosure requirements and “supplemental schedule” in audited financials 2. Inclusion of CFI ratio calculations in the IPEDS form – easy to do or not? Possible HEAF session? 3. How do we calculate cost of compliance for both reporting standards and regulatory requirements? 	<p>Compliance with GLBA requirements for Single Audit purposes:</p> <ul style="list-style-type: none"> ○ should we consider a webcast or article? ○ HEAF and AM programming <ul style="list-style-type: none"> • what are the issues? • what should future work be? • perhaps talk with audit community? 	<ul style="list-style-type: none"> • Documenting the use of HEERF Program Funds for Annual Reporting: 8/23 comments submitted to ED (NACUBO and NASFA) • NACUBO Webcast: June 14, HEERF: Common Accounting Questions (Anita, Kelli, Sue) • NACUBO Webcast on Financial Responsibility Feb 4, 2021 • NACUBO Advisory: CFI calculations for IPEDS Finance Survey • NACUBO Town Hall on Financial Responsibility (Nov 30, 2020) • NACUBO Advisory https://www.nacubo.org/Publications/Advisories/AR-19-04-Financial-Responsibility-Standards • 2021 COVID related tutorials: Rev Rec, SEFA, lost revenue, JEs discharging student balances <ol style="list-style-type: none"> a. Future Tutorial (?) - documenting the use of HEERF funds for single audit b. APC examples to include(?) c.

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Other Projects	<p><u>Potential projects:</u></p> <ol style="list-style-type: none"> 1. Guide to interpreting financial statements for non-accountants 2. Accounting guidance for Income Share Agreements (ISAs) 3. Remote work environment and what the “new normal” might look like. 			<ul style="list-style-type: none"> • HEAF session – “What no bagels” (R Kuehler) • Article - Remote work environment and what the “new normal” might look like. (for Summer issue of NACUBO’s Accounting and Tax Quarterly)

MEETING SCHEDULE

2021 Virtual meetings with FASB and GASB:

- November 10 with GASB staff, Board Chair and two members

2021 APC Conference Call Schedule:

All calls are on Friday / 1:00 Eastern and scheduled for 90 minutes. Until further notice, Ring-central meetings are on calendars. Dial-in: N/A

Dial-in: 267-930-4000

ID: 131-342-771

Dates: February 5, March 12, April 23, June 4, July 9, August 13, September 24, November 5, December 10