July 13, 2023

Amy Barmer  
RTI International  
3040 East Cornwallis Road  
P.O. Box 12194  
Research Triangle Park, NC  27709

Dear Ms. Barmer,

On behalf of the National Association of College and University Business Officers (NACUBO), I write to offer comments in response to Technical Review Panel (TRP) #68, which addresses the proposed formation of a working group for the Integrated Postsecondary Education Data System Finance Survey. NACUBO supports efforts to address Finance Survey user needs, data quality, and institutional burden and also endorses comments submitted by the American Council on Education.

NACUBO is a nonprofit professional organization representing chief financial officers and their staff at approximately 1,700 not-for-profit (NFP) and public colleges and universities. In its capacity as a professional association, NACUBO issues accounting and reporting guidance and regularly educates higher education professionals on accounting, reporting, and financial management practices. NACUBO has a close working relationship with the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB). NACUBO is the only higher education association that establishes NFP and public higher education sector guidance for financial reporting matters that extend beyond the scope of FASB and GASB standards.

**Overall Observations**

From NACUBO’s vantage point, streamlining data collection in ways that reduce burden for institutions, ensure data validity, and foster consistency and comparability among institutions is extremely important. Although NFP and public higher education is fairly equally divided between institutions that follow FASB and GASB, we believe there is essential information that can be collected and normalized.

We agree with the proposal’s acknowledgement that a working group is needed to improve the IPEDS Finance Survey. We also agree with proposed objectives and mission, governance structure, member terms, meeting frequency, expectations of
Specific Comments

Process for Changing Finance Survey Components

We recommend clarity concerning how prioritized recommendations will be treated within the existing process for making Finance Survey changes. For example, it should be clear that recommendations will go through the current standard clearance and TRP process.

Use of Subject Matter Experts and Workgroup Composition

We disagree with the following statement: “While accounting or finance officers at institutions are accountable for knowing how to input all finance data, they may not be experts or endowments or scholarships, for example.”

As an association that issues sector guidance, works with accounting standard-setters, and regularly consults with committees of central administration leaders and financial statement preparers, we are in a position to stress that financial statement preparers (typically controllers or chief financial officers) are much more than data-input specialists. In addition to understanding measurement and reporting rules embodied in Generally Accepted Accounting Principles, controllers and CFOs must conceptually understand all facets of an institution’s mission and environment. For example, controllers and CFOs have knowledge of endowment management, donor reporting, gift and endowment restrictions, student accounts and institutional aid, investment valuation, resource allocation strategies and tactics, debt structures, property, plant and equipment, sponsored research encompassing federal and other grants and contracts, vendor relationships, enterprise risks and controls, liquidity, cash management, stakeholder information needs, complex employee benefit arrangements, all revenue types, and all expense types by nature and function.

Understanding and capturing all financial aspects of a college or university environment is extensive and time consuming; as such, we recommend that financial statement preparers have adequate representation across all institution types. In addition to extensive financial and management expertise, preparers will be able to assess survey requirement burden and institutions’ change efforts. Because workgroup size must be manageable, we also propose using financial statement preparer sub-groups (with finance workgroup appointed facilitation) to study and translate financial issues and topics deemed essential to policymakers. NACUBO can assist with this through the use of its business officer councils and committees.
In conclusion, I’d like to thank you for your consideration and time in reviewing our comments. We look forward to more information about the IPEDS Finance Working Group. Please direct any questions to me at smenditto@nacubo.org.

Sincerely,

Susan M. Menditto  
Senior Director, Accounting Policy  
National Association of College and University Business Officers