

## **Effect of GASB 34 on NCHEMS**

The University of Alaska classifies all expenditures into standardized categories that are nationally recognized and are generally utilized by most institutions of higher education. These categories, which were first developed by the National Center for Higher Education Management Systems (NCHEMS), include a scholarships category. The scholarships category includes subsections or program codes for scholarships and fellowships in the form of grants to students, as well as trainee stipends, prizes, and student awards. Expenditures reported under this category are determined by the program code associated with the expenditures (program code ending with 'FA'). This categorization of expenditures helps the university make comparisons to other universities.

Commencing in FY03 (July 1, 2002 – June 30, 2003), in accordance with the provisions of Governmental Accounting and Standards Board (GASB) Statement No. 34, the university is required to report student tuition and fee revenue and auxiliary receipts net of allowances and discounts (account codes 9130 and 9702 respectively), with a corresponding offset in the scholarships expenditure category (account code 6450).

The tuition allowance is defined as the difference between the stated price for tuition and fees and auxiliary services (such as room and board) and the amount(s) paid by the student or directly by third parties on the student's behalf. In other words, the allowance is the amount of institutional resources provided to the student for tuition and board. One of the benefits in recording the tuition allowance is the elimination of the double-counting. This occurs when Pell grants, for example, are recorded as both federal receipts and as tuition revenue.