

**Issue Paper #11**  
**Reporting Gifts**  
February 5, 2002

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- Gifts may be reported in different categories on the SRECNA (operating, non-operating, other) and on the Cash Flow Statement (operating, non-capital financing, or capital financing).
- Gifts may be reported in more than one category on either statement.
- On the Cash Flow Statement, gifts will be reported on the same line as grants and contracts in all categories where they appear.

Example:

Cash Flows from Operating Activities

Grants, Contracts, Gifts

Cash Flows from Non-capital Financing Activities

Grants/Gifts for Other than Capital Purposes

Cash Flows from Capital & Related Financing Activities

Capital Grants, Contracts, Gifts

Per Standard #17 approved at the 1/31/02 - 02/01/02 CHEASC meeting:

**SRECNA:**

For the purpose of distinguishing operating revenues and expenses from non-operating revenues and expenses, colleges and universities should follow the following guidelines:

Operating revenues and expenses generally result from providing goods and services for instruction, research, public service or related support services to an individual or entity separate from the institution.

Non-operating revenues and expenses are those not included as operating revenues and expenses or other revenues and expenses. Revenues from state appropriations are non-operating revenue (as defined by GASB 35 ¶52). Examples of non-operating revenues include, but are not limited to, gift revenue, investments income, and insurance reimbursement revenue. Examples of non-operating expenses include, but are not limited to, interest expense on capital debt and investment expenses.

Other revenues, expense, gains, losses, and transfers include state capital construction and controlled maintenance appropriations, gifts and grants primarily designated for capital purposes, additions to permanent and term endowments, special and extraordinary items, and transfers.

**Statement of Cash Flows:**

For the purpose of distinguishing cash flows from operations from other types of cash flows, colleges and universities should use the following definition:

Cash flows from operations generally result from providing goods and services for instruction, research, public service, or related support service to an individual or entity separate from the institution. Other cash flows are those specifically defined as cash flows from non-capital financing transactions, capital and related financing transactions, or investing transactions (See GASB 9). State appropriations are Non-Capital Financing Activity. In the event an item does not appropriately fit into one of the defined categories, it should be placed into "Cash Flows from Operations."