

NonExempt Institutions
 (Less than 100% of the institution qualifies as a TABOR designated enterprise. May include Exempt activities.)

COFRS ACCOUNTING MODEL

Capitalize Interest

on COP Projects

Used to record capitalized interest
 expensed during construction on COP Projects

Authoritative Source(s): The Higher Education Financial Advisory Committee (FAC)
 The Higher Education Policy Setting Group (HEP)

COFRS JOURNAL ENTRY CODING								
		Fund/Agency	APPR	Program	AcctType	BSA/RSC/OBJ	DR	CR
Eliminate Interest Expense in F361								
1*	HE Lease Purchase Cash - DOHE Higher Education Activity Non Education and General Expense OT CS DOHE Int St Shr Int Cap OT CS DOHE Int HE Shr Int Cap Revenue Interest Income (1)	361/GXX	NAP	1900	22	AAGN AAGP	\$3,000 \$1,000	
					31	5903	\$1,000	
2*	HE Lease Purchase Cash - DOHE Higher Education Activity Non Education and General Expense Bond/Notes Interest	361/GXX	NAP	1900	22	6720		\$4,000
Capitalize State's share of COP interest expense								
3	Higher Ed NonTABOR Enterprise Not used with Balance Sheet Accounts Asset Construction in Progress	305/GXX	XXXX	XXXX	01	1860	\$3,000	
4	Higher Ed NonTABOR Enterprise Higher Education Activity Non Education and General Revenue OT CS DOHE Int St Shr Int Cap (1)	305/GXX	NAP	1900	31	AAGN		\$3,000
Capitalize Institution's share of COP interest expense								
5	Higher Ed NonTABOR Enterprise Not used with Balance Sheet Accounts Asset Construction in Progress	305/GXX	XXXX	XXXX	01	1860	\$1,000	
6	Higher Ed NonTABOR Enterprise Higher Education Activity Non Education and General Expense Higher Ed Capitalization Clearing	305/GXX	NAP	1900	22	6610		\$1,000
7	Higher Ed NonTABOR Enterprise Higher Education Activity Non Education and General Expense Higher Ed Capitalization Clearing	399/GXX	NAP	1900	22	6610	\$1,000	
8	Higher Ed NonTABOR Enterprise Higher Education Activity Non Education and General Revenue OT CS DOHE Int HE Shr Int Cap (1)	399/GXX	NAP	1900	31	AAGP		\$1,000

- (1) Interest expense must be offset by interest revenue prior to capitalization. Because revenue is earned at the state level, 100% will be applied to the state's share of interest expense. There is no net impact on the total amount capitalized.
- (2) Transfer Code AAGN will be contributed capital on the institution's financial statements and will be included in the presentation entries at year end.
- (3) Transfer Code AAGP will offset interest expense recorded in Transfer Code AAWQ in year end presentation entries. Both codes will feed to interest on institution's financial statements.

* COFRS JV documents entry lines 1 and 2 must have the Budget Override marked as "Y"