

**Exempt Institutions**  
(100% of the institution qualifies as a TABOR designated enterprise.)

**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  31	AAGN AAGP	\$2,000 \$1,000		
2*	HE Lease Purchase Cash - DOHE Higher Education Activity Non Education and General Expense Bond/Note Interest	361/GXX	NAP	1900	22	5903  6720	\$1,000		\$4,000
Capitalize State's share of COP interest expense									
3	Higher Ed TABOR Enterprise Not used with Balance Sheet Accounts Asset Construction in Progress	320/GXX	XXXX	XXXX	01	1860	\$2,000		
4	Higher Ed TABOR Enterprise Higher Education Activity Non Education and General Revenue OT CS DOHE Int St Shr Int Cap (1)	320/GXX	NAP	1900	31	AAGN			\$2,000
Capitalize Institution's share of COP interest expense									
5	Higher Ed TABOR Enterprise Not used with Balance Sheet Accounts Asset Construction in Progress (2)	320/GXX	XXXX	XXXX	01	1860	\$1,000		
6	Higher Ed TABOR Enterprise Higher Education Activity Non Education and General Expense Higher Ed Capitalization Clearing	320/GXX	NAP	1900	22	6610			\$1,000
7	Financial Presentation - Exempt Higher Education Activity Non Education and General Expense Higher Ed Capitalization Clearing	399/GXX	NAP	1900	22	6610	\$1,000		
8	Financial Presentation - Exempt Higher Education Activity Non Education and General Expense OT CS DOHE In HE Shr Int Cap (3)	399/GXX	NAP	1900	22	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"**