

Expenses by Functional Groups

Instruction

All expenses regarding the institutions instruction program, including credit and non-credit courses for academic, vocational, technical, regular, special and extension courses. This category excludes academic personnel whose primary activity is administration – i.e. academic deans.

Research

All expenses for activities specifically organized to produce research, whether commissioned by an agency external to the University or budgeted separately by an organizational unit within the institution.

Public Service

All expenses for activities established primarily to provide non-instructional services beneficial to individuals and groups external to the institution. Including such services as Community service, Co-op and Public Broadcasting services.

Academic Support

All expenses incurred by the institution to provide support services regarding the institution's primary mission consisting of instruction, research, and public service.

Student Services

All expenses incurred by the institution to provide student services, including the office of admissions, the registrar and all activities contributing to the emotional, physical well-being, intellectual, cultural, and social development outside the context of formal instruction.

Institutional Support

All expenses incurred by the institution regarding support of the institution for central, executive -level activities involved with management and long-range planning for the entire institution. These activities include the governing board, planning and programming operations, and legal services, fiscal operations, space management, and support services to faculty and staff.

Operations and Maintenance

All expenses incurred by the institution regarding maintenance, preservation and protection of the institution. These activities include Building Maintenance, Custodial, and Utilities.

Expenses by Functional Groups (continued)

Scholarships and Fellowships

All expenses including expenses for scholarships and fellowships from restricted or unrestricted funds. These expenses can be given in the form of grants to students, trainee stipends, prizes and awards.

Auxiliary Enterprises

All expenses incurred by the institution regarding auxiliary enterprises; these enterprises include operations that provide goods or services to students, faculty or staff that charge a fee for those services. Examples include food services, residence halls, bookstores, student unions, intercollegiate athletics and other self-supporting enterprises.

Hospitals

All expenses incurred by the institution regarding activities associated with the patient care operations of the hospital. Such expenses include; direct patient care, general health care support services, hospital administrative and fiscal services and charges relating to the physical plant operations.

Non-Current Funds

All expenses incurred by the institution which are independent and unrelated to, but enhance the primary mission of the institution. These expenses may include commercial operations such as the steam plant.

Expenses by Sub-Functional Groups

▪ **INSTRUCTION**

- **0100 – General Academic Instruction** – This subcategory includes expenses for formally organized and/or separately budgeted instructional activities that are associated with academic offerings described by the Integrated Postsecondary Education Data System (IPEDS) instructional program categories identified in the National Center for Education Statistics (NCES) publication A Classification of Instructional Programs and offered for credit as part of a formal postsecondary education degree or certificate program. Open university, short courses, and home study activities falling within this classification and offered for credit are included. However, this subcategory does not include instructional offerings that are part of programs leading toward degrees or certificates at levels below the higher education level, such as adult basic education.
- **0200 – Vocational/Technical Instruction** – This subcategory includes expenses for formally organized and/or separately budgeted instructional activities that are associated with activities characterized as vocational/technical instruction in the IPEDS instructional program categories and offered for credit as part of a formal postsecondary education degree or certificate program. Open university, short courses, and home study falling within this classification and offered for credit are included. However, this subcategory does not include instructional offerings that are part of programs leading toward degrees or certificates at levels below the higher education level, such as adult basic education
- **0400 – Community Education (DCE)** – This subcategory includes expenses for formally organized and/or separately budgeted instructional activities that do not generally result in credit toward any formal postsecondary degree or certificate. It includes noncredit instructional offerings carried out by the institution's extension division as well as noncredit offerings that are part of the adult education or continuing education program. This subcategory also includes expenses for activities associated with programs leading toward a degree or certificate at a level below the higher education level, such as adult basic education.
- **0500 – Preparatory/Remedial Instruction** – This subcategory includes expenses for formally organized and/or separately budgeted instructional activities that give students the basic knowledge and skills required by the institution before they can undertake formal academic course work leading to a postsecondary degree or certificate. Such activities, supplemental to the normal academic program, generally are termed preparatory, remedial, developmental, or special educational services. These instructional offerings may be taken prior to or along with the course work leading to the degree or certificate. They are generally noncredit offerings, although in some cases credit may be provided specifically for required preparatory or remedial skills or knowledge. If students may satisfy preparatory requirements by taking offerings provided primarily for other than remedial or preparatory purposes, those offerings should be classified elsewhere.
- **0600 – Educ Service Agreements – on campus** – This subcategory includes expenses for on campus instruction activities that are managed within academic departments. Such activities may have been undertaken as the result of a contract or grant or through a specific allocation of the institution's general resources. On Campus, as defined in The University's F&A Agreement with the Department of Health and Human Services, includes activities conducted at University of Utah owned facilities and rental facilities in Research Park.
- **0609 – Educ Service Agreements – off campus** – This subcategory includes expenses for off campus instruction activities that are managed within academic departments. Such activities may have been undertaken as the result of a contract or grant or through a specific allocation of the institution's general resources. Off Campus, as defined in The University's F&A Agreement with the Department of Health and Human Services, includes activities conducted at facilities not owned by the University of Utah or rental facilities other than those located in Research Park.

▪ **RESEARCH**

- **1010 – Individual & Project Research – on campus** – This subcategory includes expenses for on campus research activities that are managed within academic departments. Such activities may have been undertaken as the result of a research contract or grant or through a specific allocation of the institution's general resources.
- **1019 – Individual & Project Research – off campus** – This subcategory includes expenses for off campus research activities that are managed within academic departments. Such activities may have been undertaken as the result of a research contract or grant or through a specific allocation of the institution's general resources.

Expenses by Sub-Functional Groups (continued)

- **RESEARCH (continued)**
 - **1020 – Institutes & Research Ctrs – on campus** – This subcategory includes expenses for on campus research activities that are part of a formal research organization created to manage a number of research efforts. Whereas this subcategory includes agricultural experiment stations, it does not include federally funded research and development centers, which, for public institutions, should be classified as independent operations.
 - **1029 – Institutes & Research Ctrs – off campus** – This subcategory includes expenses for off campus research activities that are part of a formal research organization created to manage a number of research efforts. Whereas this subcategory includes agricultural experiment stations, it does not include federally funded research and development centers, which, for public institutions, should be classified as independent operations.
 - **1040 – Departmental Research** – Expenses for departmental research that are discretely identified, budgeted and tracked are included in this classification. Such activities may have been undertaken as the result of or through a specific allocation of the institution’s general resources, but not as a result of a research contract or grant. NOTE- This classification does not include expenses for departmental research that are not discretely identified, budgeted and tracked. Departmental research that is not discretely identified, budgeted and tracked is included in the General Academic Instruction category.
- **PUBLIC SERVICE**
 - **1510 – Community Service – on campus** – This subcategory includes expenses for activities organized and carried out to provide general community services, excluding instructional activities. Community service activities make available to the public various resources and special capabilities that exist within the institution. Examples include conferences and institutes, general advisory services and reference bureaus, consultation, testing services (e.g., soil testing, carbon dating, structural testing), and similar activities. The activities included in this subcategory are generally sponsored and managed outside the context of both the agricultural and urban extension programs and the institution’s public broadcasting station.
 - **1519 – Community Service – off campus (incl. IPAs/Veterans’ Admin.)** – This subcategory includes expenses for off campus activities organized and carried out to provide general community services, excluding instructional activities. Community service activities make available to the public various resources and special capabilities that exist within the institution. Examples include conferences and institutes, Intergovernmental Personnel Act Assignments (IPA), general advisory services and reference bureaus, consultation, testing services (e.g., soil testing, carbon dating, structural testing), and similar activities. Off Campus, as defined in The University’s F&A Agreement with the Department of Health and Human Services, includes activities conducted at facilities not owned by the University of Utah or rental facilities other than those located in Research Park. The activities included in this subcategory are generally sponsored and managed outside the context of both the agricultural and urban extension programs and the institution’s public broadcasting station.
 - **1520 – Cooperative Extension Service** – This subcategory includes expenses for non-instructional public service activities established as the result of cooperative extension efforts between the institution and outside agencies such as the U.S. Department of Agriculture’s extension service and the affiliated state extension services. This subcategory is intended primarily for land grant colleges and universities and includes both agricultural extension and urban extension services. The distinguishing feature of activities in this subcategory is that the institution shares programmatic and fiscal control with the Department of Agriculture’s extension service, the related state extension services, and agencies of local government.
 - **1530 – Public Broadcasting Services** – This subcategory includes expenses for operation and maintenance of broadcasting services operated outside the context of the institution’s instruction, research, and academic support programs. Excluded from this subcategory are broadcasting services conducted primarily in support of instruction (classified in the ancillary support subcategory in academic support), broadcasting services operated primarily as a student service activity (classified in the social and cultural development subcategory in student services), and broadcasting services that are independent operations (classified in the independent operations—institutional subcategory in independent operations).
 - **1580 – Private Practice Income** – This subcategory includes expenses associated with performance of work primarily to provide services beneficial to individuals and groups external to the institution. This category does not include instruction, research, or research training.

Expenses by Sub-Functional Groups (continued)

▪ **ACADEMIC SUPPORT**

- **2000 – Museums & Galleries** – This subcategory includes expenses for organized activities that provide for the collection, preservation, and exhibition of historical materials, art objects, scientific displays, and so on. Libraries are excluded.
- **2010 – Libraries** – This subcategory includes expenses for organized activities that directly support the operation of a cataloged or otherwise classified collection.
- **2030 – Educational Media Services** – This subcategory includes expenses for organized activities providing audiovisual and other services that aid in the transmission of information in support of the institution's instruction, research, and public service programs.
- **2040 – Academic Computing Support** – This subcategory includes expenses for formally organized and/or separately budgeted academic support information technology. If an institution does not separately account for information technology resources, the costs associated with the three primary programs—instruction, research, and public service—will be applied to this category and the remainder to institutional support.
- **2050 – Ancillary Support (Org. Activities)** – This subcategory includes expenses for organized activities that provide support services to the three primary programs of instruction, research, and public service but are not appropriately classified in the previous subcategories. Ancillary support activities usually provide a mechanism through which students can gain practical experience. An example of ancillary support is a demonstration school associated with a school of education. The expenses of teaching hospitals are excluded.
- **2060 – Academic Admin. & Personnel Develop.** – This subcategory includes expenses for activities specifically designed and carried out to provide administrative and management support to the academic programs. This subcategory is intended to separately identify expenses for activities formally organized and/or separately budgeted for academic administration. It includes the expenses of academic deans (including deans of research, deans of graduate schools, and college deans), but it does not include the expenses of department chairpersons (which are included in the appropriate primary function categories). The subcategory also includes expenses for formally organized and/or separately budgeted academic advising. Expenses associated with the office of the chief academic officer of the institution are not included in this subcategory, but should be classified as institutional support due to the institution-wide nature of that person's responsibilities. Also, this subcategory includes expenses for activities that provide the faculty with opportunities for personal and professional growth and development to the extent that such activities are formally organized and/or separately budgeted. This subcategory also includes formally organized and/or separately budgeted activities that evaluate and reward professional performance of the faculty. Included in this subcategory are sabbaticals, faculty awards, and organized faculty development programs
- **2070 – Course & Curriculum Development** – This subcategory includes expenses for activities established either to significantly improve or to add to the institution's instructional offerings, but only to the extent that such activities are formally organized and/or separately budgeted.
- **2080 – Recharge Centers** – This subcategory includes expenses for formally organized and/or separately budgeted activities formed within the university to provide goods or services necessary to conduct the instruction, research, or other programs of the institutions. The scope of a recharge center may be university-wide or incidental to departmental operations and generally provides goods or service at cost to other areas across campus.

▪ **STUDENT SERVICES**

- **2510 – Student Services Administration** – This subcategory includes expenses for organized administrative activities that provide assistance and support (excluding academic support) to the needs and interests of students. This subcategory includes only administrative activities that support more than one subcategory of student activities and/or that provide central administrative services related to the various student service activities. In particular, this subcategory includes services provided for particular types of students (e.g., minority students, veterans, and disabled students). Some institutions consolidate various activities in a unit titled enrollment management. Expenses for that unit would be included in this subcategory. Excluded from this subcategory are activities of the institution's chief administrative officer for student affairs, whose activities are institution wide and therefore should be classified as institutional support.
- **2520 – Social & Cultural Development** – This subcategory includes expenses for organized activities that provide for students' social and cultural development outside the formal academic program. This subcategory includes cultural events, student newspapers, intramural athletics, student organizations, and so forth. Expenses for an intercollegiate athletics program are included in this subcategory if the program is not operated as an auxiliary enterprise (in which case all the related expenses would be reported as auxiliary enterprises).

Expenses by Sub-Functional Groups (continued)

- **STUDENT SERVICES (continued)**
 - **2530 – Counseling & Career Guidance** – This subcategory includes expenses for formally organized placement, career guidance, and personal counseling services for students. This subcategory includes vocational testing and counseling services and activities of the placement office. Excluded from this subcategory are formal academic counseling activities (academic support) and informal academic counseling services provided by the faculty in relation to course assignments (instruction).
 - **2540 – Financial Aid Administration** – This subcategory includes expenses for activities that provide financial aid services and assistance to students. This subcategory does not include outright grants to students, which should be classified as revenue reductions, agency transactions, or expenses.
 - **2550 – Student Admissions** – This subcategory includes expenses for activities related to the identification of prospective students, the promotion of attendance at the institution, and the processing of applications for admission.
 - **2560 – Student Records** – This subcategory includes expenses for activities to maintain, handle, and update records for currently and previously enrolled students.
- **INSTITUTIONAL SUPPORT**
 - **3010 – Executive Management** – This subcategory includes expenses for all central, executive-level activities concerned with management and long-range planning for the entire institution (as distinct from planning and management for any one program within the institution). All officers with institutionwide responsibilities are included, such as the president, chief academic officer, chief business officer, chief student affairs officer, chief research officer, chief enrollment management officer, and chief advancement officer. This subcategory includes such operations as executive direction (e.g., governing board), planning and programming operations, and legal, risk, compliance, and internal audit operations.
 - **3020 – Fiscal Operations** – This subcategory includes expenses for operations related to fiscal control and investments. It includes the accounting office, bursar's office, and external audits. Interest expense on working capital loans is recorded with other interest expense and is not recorded as institutional support. In addition, bad debt expense arising from student loans is recorded in this subcategory. However, bad debts arising from student and other account receivables are recorded as a reduction of the specific revenue source (e.g., tuition, auxiliary fees) rather than as an expense.
 - **3030 – Administrative Computing Services** – This subcategory includes expenses for formally organized and/or separately budgeted administrative information technology. If an institution does not separately account for information technology resources, the costs associated with the three primary programs—instruction, research, and public service—will be applied to academic support and the remainder to this category.
 - **3040 – Community & Alumni Relations** – This category includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution related to activities concerned with community and alumni relations, including development and fund raising.
 - **3110 – Employee Personnel & Records** – This category includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution related to employee personnel and records.
 - **3120 – Space Management** – This category includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution related to internal building space management such as offices, class rooms, utilities rooms and other defined building space. This category does not include management of space outside of buildings such as walkways, or landscaped or undeveloped open space.
 - **3140 – General Administration (and Logistical Services)** – This subcategory includes expenses for activities related to general administrative operations and services (with the exception of fiscal operations and administrative information technology). Included in this subcategory are personnel administration, space management, purchasing and maintenance of supplies and materials, campuswide communications and transportation services, general stores, and printing shops.
 - **3150 – Public Relations/Development** – This subcategory includes expenses for activities to maintain relations with the community, alumni, or other constituents and to conduct activities related to institutionwide development and fund raising. If institutions conduct fund-raising activities in conjunction with instructional or other program or supporting activities, Statement of Position 98-2, Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fund Raising, is used to determine whether the expenses can be allocated. This SOP requires that if certain criteria—purpose, audience, and content—are met, the costs of the activity should be allocated between fund raising and the appropriate program or institutional support. If all of the criteria are not met, the entire amount is classified as fund-raising costs.

Expenses by Sub-Functional Groups (continued)

▪ OPERATIONS & MAINTENANCE

- **3510 – Physical Plant Administration** – This subcategory includes expenses for administrative activities that directly support physical plant operations. Activities related to the development of plans for plant expansion or modification, as well as plans for new construction, should be included in this subcategory. Also included are property, liability, and all other insurance relating to property.
- **3520 – Building Maintenance** – This subcategory includes expenses for activities related to routine repair and maintenance of buildings and other structures, including normally recurring repairs and preventive maintenance.
- **3530 – Custodial Services** – This subcategory includes expenses related to custodial services in buildings.
- **3540 – Utilities** – This subcategory includes expenses related to heating, cooling, light and power, gas, water, and any other utilities necessary for operation of the physical plant.
- **3550 – Landscape & Grounds Maintenance** – This subcategory includes expenses related to the operation and maintenance of landscape and grounds.
- **3560 – Major Repairs & Renovations** – This subcategory includes expenses related to major noncapital repairs, maintenance, and renovations. Minor repairs should be classified as building maintenance. The institution should establish criteria to distinguish between major repairs and minor repairs. Costs that will be capitalized in accordance with the institution's capitalization policy are excluded.

▪ SCHOLARSHIPS & FELLOWSHIPS

- **4000 – Scholarships & Fellowships** – This subcategory includes grants-in-aid, trainee stipends, tuition and fees waivers, and prizes to undergraduate students. Also, this subcategory includes grants-in-aid and trainee stipends to graduate students. It does not include funds for which services to the institution must be rendered, such as payments for teaching.

▪ OTHER

- **6000 – Auxiliary Enterprises** – An auxiliary enterprise exists to furnish goods or services to students, faculty, staff, other institutional departments, or incidentally to the general public, and charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed to operate as a self-supporting activity. Over time, the revenues will equal or exceed the expenses, although in any individual year there may be a deficit or a surplus. Examples are residence halls, food services, intercollegiate athletics (only if essentially self-supporting), college stores, faculty clubs, parking, and faculty housing. Student health services, when operated as an auxiliary enterprise, also are included. Hospitals, although they may serve students, faculty, or staff, are classified separately because of their financial significance.

The auxiliary enterprise category includes all expenses relating to the operation of auxiliary enterprises, including expenses for operation and maintenance of plant, depreciation (if allocated to functional expense categories), and administration. Also included are other direct and indirect costs, whether charged directly as expenses or allocated as a proportionate share of costs of other departments or units. To ensure that data regarding individual auxiliary enterprises are complete and adequate for management decisions, cost data should be prepared using full costing methods. Full costing means that the costs attributed to each enterprise include a portion of indirect costs related to that enterprise, as well as the costs directly attributable to its operation

- **8000 – Hospitals** – The hospital category includes all expenses associated with the patient-care operations of a hospital, including nursing and other professional services, general services, administrative services, fiscal services, depreciation (if allocated to functional expense categories), and charges for physical plant operations. Also included are other direct and indirect costs, whether charged directly as expenses or allocated as a proportionate share of costs of other departments and units. Expenses for activities that take place within the hospital but that are categorized more appropriately as instruction or research are excluded from this category and accounted for in the appropriate categories.
- **9000 – Non-Current Funds** – This category includes activities and expenses from Non-UofU component units as well as general expenses such as Interest, Depreciation and Capital Expenditures that are incurred at the University Level and are allocated across other Functional Groups.