

**Guidelines**  
**Financial Information of Universities and Colleges**  
**Canadian Association of University Business Officers (CAUBO) 2014/2015**

**5. General Operating Expenditures by Function (Table 4)**

Expenditures by Fund (see Section III.C.3) and this section of the Guidelines are very similar in that types of expenditures are identified on the left-hand side of both Tables. Table 2, however, is organized by fund, and Table 4 is organized by operational or functional areas, within the General operating fund, that represent the major areas of institutional activity. The functions are Instruction and non-sponsored research, Non-credit instruction, Library, Computing and communications, Administration and academic support, Student services, Physical plant and External relations. These functions are reported in columns 1 to 8, with the total of the functions reported in column 9. The amounts in Column 9 should be identical to the amounts in Table 2, Column 1 (General operating).

This section provides details to assist preparers to segregate, by function, the various activities and types of expenditures under the General operating fund. Unless otherwise indicated, the definitions, explanations and examples presented in Section III.C.3 for types of expenditures also apply to this section. In addition, as noted previously, where the designation of a particular expenditure in this Table differs from that used by an institution in its financial statements or its internal management reports, the expenditure must be shown under the designated Table heading regardless of the institution's practice. For example, health services and intramural and intercollegiate athletics are to be reported under the Student services function although they may be reported as ancillary services in the institution's financial statements or its internal management reports.

In reporting General operating fund expenditures by function, preparers should be familiar with the uniform reporting practices (see Section II.E). In particular, preparers should be familiar with the practices on internal and external cost recoveries (see Section II.E.8) and use of estimates (see Section II.E.14). The functions in the General operating fund are as follows:

**(i) Instruction and non-sponsored research**

The Instruction and non-sponsored research function in the General operating fund includes all direct costs of faculties, academic departments (including salaries of academic deans and their offices), graduate school, summer school, credit extension, and other academic functions and expenditures attributable to this function.

**(ii) Non-credit instruction**

The Non-credit instruction function in the General operating fund includes lectures, courses and similar activities that are not recognized by the institution for the purpose of granting credit. Non-credit programs are usually offered through continuing education units. Normally where there is non-credit tuition income reported on line 13 under the General operating fund in Table 1, the corresponding expenditures (not necessarily equal to the income) will be reported under this function.

**(iii) Library**

The Library function in the General operating fund includes the institution's Archives and other activities related to the institution's main, branch and faculty or departmental libraries. The expenditures include the salary and wage costs of providing the library services as well as the cost of books and periodicals.

**(iv) Computing and communications**

The Computing and communications function in the General operating fund includes only the activities of centralized computing and communication facilities. A centralized computing facility refers to computer related activities and resources that have been organized under the management of a central administration. The computing facility is usually seen as an institutional resource that is available on an institution-wide basis and is the most effective way of providing certain services supportive of the institution's research and administrative activities. Such a facility usually results from factors including economies of scale, a large number of users who require a wide variety of services, and a high degree of technical expertise required in computer operations.

This function does not include the activities of local or decentralized stand-alone computer installations that are under the management of, and were established for the main purpose of providing services to, a single division or department. The expenditures for decentralized computing facilities are to be included under the related functions and funds, as appropriate.

A centralized communications facility includes the costs of telephone equipment rental, service, acquisition and switchboard, including related personnel and other costs. The expenditures for decentralized communications facilities are to be included in the related functions and funds, as appropriate.

If an institution employs a charge-out system for central computing time or communications equipment usage, expenditures should be combined and reported under this function.

Any sales to, or recoveries from, other functional areas or funds, or outside users, are considered to be either an internal or external cost recovery and are to be reported according to the uniform reporting practice for internal and external cost recoveries (see Section II.E.8).

#### (v) Administration and academic support

The Administration and academic support function in the general operating fund covers expenditures in the two broad areas of academic support and other support services. Other support services include administration. These areas are combined and reported in Table 4 under Administration and academic support.

The academic support area of the Administration and academic support function includes all activities provided by an institution in direct support of Instruction and non-sponsored research. This area includes the following types of activities:

- the positions of vice-president academic and research (or their equivalents) and their offices
- faculty and instructional support services
- research administration (including grants and contracts administration)
- registrar's and graduate students office (including calendars, admissions, student records and related reporting)
- convocation and ceremonies
- co-op program administration
- central animal services
- central shops for instruction and research (machine shop, glass blowing, electronics shop)
- distance education support
- instructional technology and audio visual services
- academic class scheduling

The administration area of the Administration and academic support function includes the following activities:

- administration, planning and information costs and activities associated with the positions of president and vice-president (or their equivalents) and their offices, except for the positions of vice-president academic and research (or their equivalents) and their offices, which are included in the academic support area. Administrative costs for activities such as fundraising, development, alumni and external communications are included in the external relations area.
- finance, including investment management, internal audit and accounting
- human resources (personnel)
- institutional research
- board and senate secretariat
- printing and duplicating services
- Specific types of expenditures in the administration area include the following:
- professional fees including legal, audit, human resource and other consulting fees that are not specifically attributable to another function. Computer consulting fees are included if the computing facilities are decentralized.
- general university memberships including AUCC and CAUBO
- liability and E & O insurance (fire, boiler and pressure vessel, and property insurance are reported under the Physical plant function).

The appropriate reporting for computing, communications, purchasing, receiving and stores will depend upon whether the institution operates with centralized or decentralized facilities. If the institution has centralized facilities for computing and communications, the activities should be reported under the Computing and communications function. If the institution has centralized facilities for purchasing, receiving and stores, the activities should be included in the administration area of the Administration and academic support function. If any of computing, communications, purchasing, receiving or stores is decentralized, then these activities should be included under the related functions and funds, as appropriate.

#### (vi) Student services

The Student services function in the General operating fund includes the cost of services (other than direct teaching, research and administrative services) provided to students by the institution. Generally, these services will include:

- the dean of students and the dean's office
- counseling and chaplaincy services
- career guidance and placement services
- intramural and inter collegiate athletics (not physical education)
- student health services
- student accommodation services (not residences)
- student transportation services
- student financial aid administration
- bursaries, scholarships and prizes
- grants to student organizations, including the student union
- student programs, including music, drama and student center
- student daycare center
- any other student services, social or cultural activities funded by the institution

These services may be provided from General operating fund income in whole, or in part by a specific fee included in the student incidental fee structure. Where an institution acts in an agency capacity, however, and collects student fees on behalf of student controlled and administered activities such as student councils or federations, the fees collected by the institution are to be excluded from income of the institution. The amount turned over to the benefit of the student council or federation is to be excluded from expenditures of the institution.

#### (vii) Physical plant

The Physical plant function in the General operating fund includes expenditures related to the physical facilities of the institution. The expenditures include the physical plant office, space planning, maintenance of buildings and grounds, custodial services, utilities, vehicle operations, security and traffic, repairs and furnishings, renovations and alterations, mail delivery services, long-term space and property rental, and municipal taxes (including those for which compensatory grants are received from government).

Physical plant also includes fire, boiler and pressure vessel, and property insurance. All other insurance is reported in the administration area of the Administration and academic support function.

#### (viii) External relations

The external relations area includes all activities provided by an institution in support of ongoing external relations. These activities include fundraising, development, alumni, public relations and public information or external communications. The related administrative costs from the office of the vice-president(s), or equivalent, responsible for one or more of these activities should be included in this area.