

PROGRAM CLASSIFICATION STRUCTURE

The following discussion and definitions of Program Classification Structure (PCS) Categories that are used in higher education to report expenditures by function or purpose were extracted from the online NACUBO Financial Accounting and Reporting Manual for Higher Education . This document will be used to review the current classification and coding of DeptIDs at the University of Missouri System. It is important to understand that this is a hierarchal document. An expense is evaluated and classified, beginning with the primary programs of instruction, research, and public service and followed by the supporting activities, and finishing with auxiliary and hospital operations.

The University of Missouri System uses PCS as an attribute on a DeptID. PCS is used for financial reporting by functional classification for external financial reporting, including but not limited to: audited financial statements, Federal F&A Cost Proposal, NSF HERD Survey, IPEDs, and US News and World Report Ranking.

Reporting for PCS classification is accomplished by the University with the Operating Expenses by Object Matrix GASB report. The report utilizes the PCS attribute on the DeptID to categorize the expenses by PCS in addition to the fund that was used on the transaction. The fund drives whether the PCS is utilized in the report or reported by the fund. Auxiliary, loan, endowment and plant funds are displayed by fund rather than PCS. All other funds use the PCS classification within the report. External audit reports use the GASB Operating Expenses by Object Matrix without modification. IPEDs reporting, however, does modify the data. Example adjustments, include allocating all funds (other than auxiliary) to the PCS categories, as well as allocating depreciation and interest to PCS.

INSTRUCTION

The instruction category includes expenditures for all activities that are part of the University's instruction program. Expenses for credit and noncredit courses; academic, vocational, and technical instruction; remedial and tutorial instruction; and regular, special, and extension sessions should be included.

Expenses for departmental research and public service that are not separately budgeted should be included in this classification. This category excludes expenses for those academic personnel whose primary assignment is administration-for example, academic deans. However, expenditures for department chairpersons and administrators for whom instruction is an important role are included here.

Faculty sabbaticals, professional leaves, early retirement and related costs of instructional staff should be included as a cost of the instructional program.

The PCS Category 11 - Instruction includes the following activities:

- On-Campus and Off-Campus General Academic Instruction
- Community Education

On-Campus and Off-Campus General Academic Instruction

Expenditures Included:

- Instructional activities as described above that are carried out during the academic year and offered for credit as part of a formal postsecondary education degree or certification program.
- Open University, short courses, and home study activities falling within this classification and offered for credit.
- Instructional information technology expenditures.
- Departmental research and public service that is not separately budgeted*

Not Included:

- Instructional offerings that are part of programs leading toward degrees or certificates at levels below the higher educational level, such as adult basic education.

Community Education.

Expenditures Included:

- Expenses for formally organized and/or separately budgeted instructional activities that do not generally result in credit toward any formal postsecondary degree or certificate.
- 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
- Activities associated with programs leading toward a degree or certificate at a level below the higher education level, such as adult basic education
- tutoring offered as a student service and credit is received

Not Included:

- Activities such as camps for band, cheerleaders, sports etc. (see 32 Community Service.)

*Separately budgeted means a dedicated chartfield string for the purpose of tracking the funds separately. This is generally done by DeptID.

RESEARCH

The research category includes all expenditures for activities specifically organized to produce research, whether commissioned by an agency external to the institution or separately budgeted by an organizational unit within the institution. Subject to these conditions, the category includes expenses for individual and/or project research as well as that of institutes and research centers. This category does not include all sponsored programs nor is it necessarily limited to sponsored research, since internally supported research programs, if separately budgeted, may be included in this category.

Expenses for departmental research that are separately budgeted* are included in this category. However, the research category does not include expenses for departmental research that are not separately budgeted. Such expenses are included in the instructional category.

*Separately budgeted means a dedicated chartfield string for the purpose of tracking the funds separately. This is generally done by DeptID.

The PCS Category 22 - Research includes the following expenditures:

- Expenses for research activities that are part of a formal research organization created to manage a number of research efforts.
- Examples include the Agricultural Experiment Station and campus identified research institutes and research centers.
- Expenses for research activities that are managed within academic departments and are separately budgeted. 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.
- Information technology associated with research that is formally organized and/or separately budgeted for research.

Not Included:

- Federally funded research and development centers, which, for public institutions, should continue to be classified as independent operations.
- Departmental research carried out as part of the instructional program (see 11 - Instruction.)
- Departmental research conducted primarily as a personnel development activity (see 46 Academic Administration and Personnel Development.)
- Information technology associated with research that is formally organized and/or separately budgeted for research.

Note: Research Incentive Fund (RIF) and Start Up that are primarily used for research should be included in the Research category.

PUBLIC SERVICE

The public service category includes expenses for activities established primarily to provide non instructional services beneficial to individuals and groups external to the institution. These activities include community service programs (excluding instructional activities) and cooperative extension services. Included in this category are conferences, institutes (other than research), general advisory services, reference bureaus, radio and television, consulting, and similar non-instructional services to particular sectors of the community.

The PCS Category 32 – Public Services includes the following activities:

- Community Service
- Cooperative Extension Service
- Public Broadcasting Services

Community Service

Expenditures Included:

- 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 (for example, soil testing, carbon dating, structural testing), and similar activities.
- Activities included in this subcategory are generally sponsored and managed outside the context of both the agricultural and urban extension programs and of the institution's public broadcasting station.

Cooperative Extension Service

Expenditures Included:

- 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 programmatic and fiscal control is shared by the institution with the Department of Agriculture's extension service, the related state extension services, and agencies of local government.

Public Broadcasting Services

Expenditures Included:

- Expenses for operation and maintenance of broadcasting services operated outside the context of the institution's instruction, research, and academic support programs (i.e. public radio station operations.)

Items Excluded:

- Broadcasting services conducted primarily in support of instruction (classified in the subcategory ancillary support)
- Broadcasting services operated primarily as a student service activity (classified in the subcategory social and cultural development)
- Broadcasting services that are independent operations (classified in the subcategory independent operations/institutional).

ACADEMIC SUPPORT

The academic support category includes expenses incurred to provide support services for the institution's primary missions: instruction, research, and public service. It includes the retention, preservation, and display of educational materials, such as libraries, museums, and galleries; the provision of services that directly assist the academic functions of the institution, such as demonstration schools associated with a department, school, or college of education; media such as audio-visual services and technology such as computing support; academic administration (including academic deans but not department chairpersons) and personnel development providing administration support and management direction to the three primary missions; and separately budgeted support for course and curriculum development. For institutions that currently charge some of the expenses--for example, computing support,--directly to the various operating units of the institution, this category does not reflect such expenses.

This category includes the following subcategories:

- 41 Libraries
- 42 Museums and Galleries
- 43 Educational Media Services
- 45 Ancillary Support
- 46 Academic Administration

41 Libraries

Expenditures Included:

- Expenses for organized activities that directly support the operation of a catalogued or otherwise classified collection.

Examples:

Archives	Book Binding
Book Repair	Library Book Acquisition
Book Appraisals	Learning Resource Center
Library Collections	Library Reference Room Services
Library Resource Program	Main Library
Newspaper and Periodical Acquisition	Restoration of Library Objects
Traveling Library Exhibits	
Divisional or School Libraries (Law, Medicine, Engineering, Business, Graduate Library)	

Items Excluded:

- Libraries that are financially supported by individual departments. These should be attributed directly to the instruction, research and public service activities of the individual departments maintaining them.

42 Museums and Galleries

Expenditures Included:

- Expenses for organized activities that provide for the collection, preservation, and exhibition of historical materials, art objects, scientific displays, etc. **that serve several departments.**

Examples:

Archaeology Museums
Art Appraisals and Valuations
Art Commissions
Art and Museum Exhibits
Art Purchases

Art Rental (Lending) Galleries
Galleries
Museums
Restoration of Art of Museum Objects
Traveling Displays (Art, Museum)

Items Excluded:

- Libraries
- Museums and galleries that support a single academic department should be charged directly to the activities of that department unless separately budgeted.

43 Educational Media Services

Expenditures Included:

- 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.
- "Dial-access" centers, learning resource centers and closed circuit television facilities.

Examples:

Audiovisual Equipment, Rental and Repair
Closed Circuit Television
Dial-Access Center
Instructional Graphics
Instructional Media Center
Instructional Resources Center

Language Laboratories
Media Resources
Movie and Film Equipment
Multimedia Center
Record, Film and Video Center
Telecommunications Center

Items Excluded:

- Computer-assisted instruction, closed circuit television and other audiovisual services that support a single academic program (such as a German language laboratory) should be charged directly to that academic program, rather than to this subprogram.

45 Ancillary Support

Expenditures Included:

- 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.

Examples:

Animal Laboratories	Machine Shop
Arboretum	Nuclear Reactor
Botanical Garden	Planetarium
Broadcasting Services	Print Shop (Instructional)
Radio Station (instructional)	Computer Laboratory
Speech and Hearing Clinic	Demonstration Schools and Farms
Dairy Creameries	Television Station (instructional)
Thesis and Dissertation Publications	University Press
Electronics Design Facility	Learning Skills Centers (writing, math)
Glass-blowing Shop	Veterinary Teaching Hospital
Laboratory School	Zoological Gardens

Items Excluded:

- Expenses of teaching hospitals are excluded.
- Organized activities that provide support unique to a particular academic program or department should remain in the appropriate category of instruction, research, or public service.

Note: Caution should be used when selecting this PCS category and the activity that may be placed here should be reviewed carefully to ensure proper classification.

46 Academic Administration, Personnel Development, and Course and Curriculum Development

Expenditures Included:

- 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.
- Expenses of academic deans (including deans of research, deans of graduate schools, and college deans),
- Expenses for formally organized and/or separately budgeted academic advising.
- 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.
- Includes formally organized and/or separately budgeted activities that evaluate and reward professional performance of the faculty.

- 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.

Examples, Academic Administration:

Academic Advising, formal

Accreditation Fees, Single Program

Academic Deans

Academic Counseling, formal

Examples, Academic Personnel Development:

Faculty Awards

Faculty Retreats

In-service Faculty Education Programs

Faculty Development Programs

Instructional Evaluation

Professional Publishing (academic)

Examples, Course Curriculum Development:

Course Planning Curriculum Committee

Student Educational Outcomes Assessment Centers

Items Excluded:

- Expenses of department chairpersons (which are included in the appropriate primary function categories).
- Expenses associated with the office of the chief academic officer of the institution are not included in this subcategory (see 61 Executive Management).

STUDENT SERVICES

The student services category includes expenses incurred for offices of admissions and the registrar and activities with the primary purpose of contributing to students' emotional and physical well-being and intellectual, cultural, and social development outside the context of the formal instruction program. It includes expenses for student activities, cultural events, student newspapers, intramural athletics, student organizations, intercollegiate athletics (if the program is not operated as an essentially self-supporting activity (auxiliary funds)), counseling and career guidance (excluding informal academic counseling by the faculty), student aid administration, and student health service (if not operated as an essentially self-supporting activity (auxiliary funds)). In recent years, some institutions have created an office of enrollment management; expenses for such an office are best categorized in student services.

The PCS Category 52 – Student Services includes the following activities:

- Student Services Administration
- Social and Cultural Development
- Counseling and Career Guidance
- Financial Aid Administration
- Student Health Services
- Student Admissions and Records

Student Services Administration

Expenditures Included:

- Expenses for organized administrative activities that provide assistance and support (excluding academic support) to the needs and interests of students.
- 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.
- Services provided for particular types of students (for example, minority students, veterans, and handicapped students).

Examples:

Dean of Students

Director of Student Services

Disadvantaged-student Services

Foreign Student Office

Student Affairs Administration

Veterans Services

Note: Some institutions consolidate various activities in a unit titled enrollment management. Expenses of an enrollment management unit would be included in this PCS for Student Services.

Excluded from 52 - Student Services are activities of the University's chief administrative officer for student affairs, whose activities are institution wide and therefore should be classified as institutional support.

Social and Cultural Development

Expenditures Included:

- Expenses for organized activities that provide for students' social and cultural development outside the formal academic program
- Activities primarily supported and controlled by the student body
- Activities outside the curriculum program that have been established to expand the education experience of the student such as cultural events and student newspapers
- Intramural athletics
- Activities that support special student groups and organizations
- Expenses for an intercollegiate athletics program are included in this subcategory if the program is not operated as an essentially self-supporting operation (in which case all the related expenses would be reported as auxiliary enterprises).

Note: Previously there was a separate category for Intercollegiate Athletics (56). At the University of Missouri Intercollegiate Athletics programs are reported as auxiliary enterprises.

Examples:

Cultural Groups/Activities

Greek Affairs

Lecture Series

Recreation Programs

Student Government

Student Yearbook

Counseling and Career Guidance

Expenditures Included:

- Expenses for formally organized placement, career guidance, and personal counseling services for students.
- Vocational testing and counseling services and activities of the placement office.

Examples:

Advanced Placement	Measurements and Testing Center
American College Testing Program (ACT)	National Testing Programs (LSAT, etc.)
Career Counseling	Orientation
Career Guidance	Placement Offices
College Level Examination Program (CLEP)	Placement Seminars
College Placement Services	Psychological Testing
Counseling Center	Student Counseling Service
Counseling Workshops	Teacher Education Placement
Divisional Placement Service	Testing Service
Freshman Advisors	Value-added Testing

Items Excluded:

- Separately budgeted formal academic counseling activities (46 Academic Administration)
- Informal academic counseling services (11 Instruction) provided by the faculty in relation to course assignments

Financial Aid Administration

Expenditures Included:

- Expenses for activities that provide financial aid services and assistance to students.

Examples:

Financial Aid Grant Administration	Financial Aid Loan Administration
Fellowship Administration	Scholarship Administration
Financial Aid Counseling	Student Employment Administration
Financial Aid Seminars	Work-study Fund Administration

Items Excluded:

- Outright grants to students, which should be classified as student aid and ultimately reported either as a reduction to student fees or as scholarship expense.

Student Health Services

Expenditures Included:

- Expenses for organized student health services that are not self-supporting; health services that are self-supporting are reported as auxiliary enterprises.

Examples:

Health Service

Student Health Center Pharmacy

Student Health Insurance

Student Admissions and Records

Expenditures Included:

- Expenses for activities related to the identification of prospective students, the promotion of attendance at the institution, and the processing of applications for admission.
- Expenses for activities to maintain, handle, and update records for currently enrolled students as well as for students previously enrolled.

Examples:

Admissions Officers

Registrar

Advertising

Student Records

Graduate Admissions Office

Transfer Credit Evaluation

Photo/I.D. Cards

Transcripts

Recruiting Costs

Undergraduate Admissions Office

All IT costs associated with these activities

INSTITUTIONAL SUPPORT

The institutional support category includes expenses for central, executive-level activities concerned with management and long-range planning for the entire institution, such as the governing board, planning and programming operations, and legal services; fiscal operations, including the investment office; administrative data processing; space management; employee personnel and records; logistical activities that provide procurement, storerooms, printing; transportation services to the institution; support services to faculty and staff that are not operated as auxiliary enterprises; and activities concerned with community and alumni relations, including development and fund raising.

Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not directly related to the primary program categories or the related support categories.

This category includes the following subcategories:

61 Executive Management

62 Fiscal Operations

63 General Administration

65 Public Relations/Development

61 Executive Management

Expenditures Included:

- 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)
- Officers with institution-wide responsibilities, such as the president, chief academic officer, chief business officer, chief student affairs officer, and chief development officer
- Operations of the governing board
- Planning and programming operations
- Legal operations and services
- Internal audit operations

Examples:

Academic Senate
Accreditation Fees
Accreditation Studies
Advisory Board
Analytical Studies Office
Board of Trustees
Chancellor
Coordinating Board
Executive Dues
Executive Special Committee

Institutional Memberships
Institutional Research
Legislative Liaison
Long-range Planning
Patent Counseling
Planning Office
President
Provost
Vice Presidents
Executive Special Projects

Items Excluded:

- Administrative activities below the executive level

62 Fiscal Operations

Expenditures Included:

- Expenses for operations related to day-to-day financial management, fiscal control and investments
- Accounting office, bursar's office, and external audits
- Bad debt expense from student loans

Examples:

Budget Formulation and Administration
Bond Claims
Bursar
Cashier
Contracts
Debt Collection and Bad Debt Expense
Endowment Management
Federal Grant Auditor
Internal Auditor
Payroll Operations
Bad Debt Expense

Bank Checking Charges
Budget Officer
Business Manager
Controller
Credit Card Fees
Disbursements
External Auditor
Grants Accounting
Interest on Short Term Debt
Treasurer

Items Excluded:

- Long-range financial planning (see 61 Executive Management)

63 General Administration

Expenditures Included:

- Expenses for activities related to general administrative operations and services (with the exception of fiscal operations and administrative information technology).
- Expenses for personnel administration, space management, purchasing and maintenance of supplies and materials, campus-wide communications and transportation services, general stores, and printing shops.

Examples:

Affirmative Action Offices
Equal Opportunity Office
Administrative/Staff Development Programs
Retirement Counseling
Faculty Records
Room Scheduling
Purchasing
General Liability Insurance
Service Operations less Internal Billings
Procurement
Campus Mail Services
Duplicating Services
Telephone and Telegraph Services

Administration of Personnel
Labor Relations Office & Negotiating Team
Administration of Staff Insurance Programs
Retirement Program
Facilities and Space Management
Health & Safety Services
Traffic Control
Human Resources
Motor Pool Services (fuel, oil, and repairs)
Operations of Buses
Copying Services
Printing Services

Items Excluded:

- Activities that are ancillary to the institution, are provided as a service or convenience to students, faculty or staff, and are essentially self-supporting should be classified as auxiliary enterprises
- Examples include bookstores, residential life, and food service

65 Public Relations/Development

Expenditures Included:

- Expenses for activities to maintain relations with the local community, the institution's alumni, governmental entities, the general public or other constituents
- Activities related to institution-wide development and fund raising efforts

Examples:

Alumni Clubs

Alumni Records

Class Reunions

Community Public Relations

Development Fund Administration

Director of Development

Fund Raising and Gift Solicitations

Government Financial Support

Graduation Ceremonies

Internal Newsletter

News Services

Parent Activities

School Relations

Alumni Offices and Related Activities

Ceremonies

Communications, External

Convocation

Development Office

External Relations

Visitor Center

Governmental Relationship

Information Services

Legislative-liaison Activities

Faculty and Staff Newspaper

Public Information

University Relations

OPERATIONS AND MAINTENANCE OF PLANT

The operation and maintenance of plant category includes all expenditures of current operating funds for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; safety; hazardous waste disposal; property, liability, and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving. It does not include interest expense on capital related debt. This category is net of the amount charged to auxiliary enterprises and independent operations.

The PCS Category 71 – Operations and Maintenance of Plant includes the following activities:

- Physical Plant Administration
- Building Maintenance
- Custodial Services
- Utilities
- Landscape and Grounds Maintenance
- Major Repairs and Renovations
- Security and Safety
- Logistical Services

Expenditures Included:

- 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
- Property, liability, and all other insurance relating to property
- Expenses for activities related to routine repair and maintenance of buildings and other structures, including normally recurring repairs and preventive maintenance that is less than the capitalization limits.
- Expenses for activities related to routine repair and maintenance of capital equipment
- Salaries, benefits, and other costs associated with institutional staff performing maintenance and repair activities
- Expenses related to custodial services in buildings
- Expenses related to heating, cooling, light and power, gas, water, and any other utilities necessary for operation of the physical plant
- Salaries, staff benefits, and other institutional expenses incurred producing utilities
- Expenses related to the operation and maintenance of landscape and grounds
- Expenses related to major repairs, maintenance, and renovations
- Expenses related to security
- Earthquake and disaster preparedness
- Safety, including environmental safety; and hazardous waste disposal.
- Expenses related to logistical services such as central receiving as well as space and capital leasing.

Examples:

Building Services	Campus Architect
Carpentry Services	Construction Inspectors
Energy Planning and Audits	Masonry
Machine Shop	Mechanical Shop
Painting	Physical Plant Director
Plumbing	Property Accounting and /or Control
Property Taxes	Rental of Buildings
Coal	Electricity
Fuel	Oil
Labor and Supervision to Produce Utilities	Propane Gas
Utilities – Distribution, Purchase	Water and Sewage
Water Treatment Plant	Wood
Police	Fire Protection
Environmental Safety	Hazards Material Campus Security
Facilities Records	Facilities Reporting
Freight Management	Receiving/Shipping
Materials Handling	Inventory Control
Warehousing/Central Stores	

Items Excluded:

- Communications services, such as telephone (see 63 General Administration)
- Costs that will be capitalized in accordance with the institution's capitalization policy are excluded.

SCHOLARSHIPS AND FELLOWSHIPS

Public institutions, after adoption of GASB Statements 34 and 35, should report tuition discounts and allowances and scholarships generally as reductions of tuition and fees revenues. Certain amounts of such items should still be reported as expenses in general-purpose financial statements.

Institutional resources provided to students as financial aid should be recorded as scholarship allowances in amounts up to and equal to amounts owed by students to the institution. Institutional resources provided in excess of amounts owed by the students to the institution and refunded to students should be recorded as expenses.

Institutions, in applying this guidance on allocating financial aid between revenue discounts and expenses, **will initially record all aid as an expense** and then determine the amount of aid that should be reported as a reduction of revenues. Accordingly, it is still advisable to maintain expense accounts for aid granted.

Note: At the University of Missouri all financial aid is recorded in the account range 76xxxx.

The scholarships and fellowships category includes expenses for scholarships and fellowships-from restricted or unrestricted funds-in the form of grants to students, resulting from selection by the institution or from an entitlement program. The category also includes trainee stipends, prizes, and awards. Trainee stipends awarded to individuals who are not enrolled in formal course work should be charged to instruction, research, or public service. Recipients of grants are not required to perform service to the institution as consideration for the grant, nor are they expected to repay the amount of the grant to the funding source. When services are required in exchange for financial assistance, as in the College Work-Study program, charges should be classified as expenses of the department or organizational unit to which the service is rendered. Aid to students in the form of tuition or fee remissions also should be included in this category.

When services are required in exchange for financial assistance, charges should be classified as expenses of the department or organizational unit to which the service is rendered and reported as expenses of the function classification benefited by the work provided by the student. For example, a tuition remission to a graduate teaching assistant in the biology department would be charged to instruction. Remission of tuition or fees granted as a result of faculty or staff status or family relationship of students to faculty or staff, should be recorded as staff benefits expenses in the benefits pool or of the department or organizational unit to which the service was rendered. (Benefit expenses will need to be allocated to the appropriate functional expense category if recorded in a broad benefit expense pool; benefit expenses directly charged to a functional category would not be allocated).

- Grants-in-aid, trainee stipends, tuition and fee waivers, and prizes to undergraduate students.
- Grants-in-aid and trainee-stipends to graduate students.

Examples:

Financial Awards
Grants-in-Aid
Intercollegiate Athletic Scholarships
Off-campus Work-study Matching
Pell Grant
Fellowships
Grants-in-Aid
Prizes
Tuition/Fee Waivers (students)

Prizes
Scholarships
SEOG
Trainee Stipends
Tuition/Fee Waivers (students)
Financial Awards
Off-campus Work-study Matching
Trainee Stipends

Items Excluded:

- Funds for which services are required in exchange for financial assistance
- On-Campus work-study funds
- Remission of tuition or fees granted because of faculty or staff status, or family relationship of students to faculty or staff, should be recorded as staff benefits expenses in the appropriate functional expense category.
- Student loans
- Funds for which services to the institution must be rendered, such as payments for teaching or research

Depreciation

Depreciation expense should be calculated in accordance with the institution's capitalization and depreciation policies.

- Depreciation expense is considered both a functional and natural expense classification under GASB Statements 34 and 35.
- In addition, when functional expenses are reported in the Statement of Revenues, Expenses and Changes in Net Assets, depreciation expense can be allocated to other functions such as instruction, research and student services, or allocated only to plant operation and maintenance expenses, or reported separately.

Note: At the University of Missouri, depreciation is recorded as a single line item in the plant fund and is not allocated to other functions. However, depreciation is allocated to other functions as part of IPEDs reporting.

Auxiliary Enterprises, Auxiliary Enterprises-Other, and Other Self-Supporting 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 as an essentially self-supporting activity. **In addition, these activities are ancillary to the operation of the institution. They are provided as a convenience but are not integral to carrying out the primary missions of instruction, research, and public service.** Examples are residence halls, food services, intercollegiate athletics (if essentially self-supporting), college stores, faculty clubs, parking, golf courses, 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 includes a portion of indirect costs related to that enterprise, as well as the costs directly attributable to its operation.**

The AUX category includes the following expenditures:

- Auxiliary Enterprises—Student. Includes expenses for auxiliary enterprise activities primarily intended to furnish services to students. A student health service, when operated as an auxiliary enterprise, is included.
- Auxiliary Enterprises-Faculty/Staff. Includes expenses for auxiliary enterprise activities primarily intended to provide a service to the faculty, staff or both. Such activities include the faculty club, faculty-staff parking, and faculty housing.
- Intercollegiate Athletics. Includes expenses for an intercollegiate sports program when the program is operated in accordance with the definition of an auxiliary enterprise (essentially self-supporting).
- Auxiliary Enterprises-Other. Includes expenses for auxiliary enterprise activities primarily intended to furnish goods and services that are related to the higher education mission. **Customers for these goods and services generally are not students, faculty, or staff.** Entities of this type are formed to meet the geographic and public service needs of a region and generally relate to an institution's mission of teaching, research, or public service. Examples of such an entity would be a drug testing center or a university press department.

- Other Self-Supporting Enterprises. Includes activities that were established primarily to provide goods and services to other internal units on a fee for service basis. The following characteristics assist in identifying these units:
 - They are self-supporting units that operate on a break-even basis for those goods and services offered to other units.
 - They could provide, to a lesser extent, the same goods and services to faculty, staff, students, and related entities.
 - The goods and services are provided at an institutional level. This characteristic excludes enterprises that only serve units within the same department. For example, a telecommunications department that services the entire institution would be considered other self-supporting while the chemistry stores department that only services other chemistry units would be reported net within academic support under functional expense reporting.
 - **This classification does not preclude the current reporting practices for entities included in other functional categories.**
 - Expenses incurred by Other Self-Supporting Enterprises should be netted against revenues since the predominance of transactions is internal.

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, 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.**

The HOSPT category includes the following expenditures:

- Direct Patient Care. Includes expenses for direct patient care such as prevention, diagnosis, treatment, and rehabilitation. Patient care activities solely for the benefit of the institution's students should be classified as student services.
- Health Care Supportive Services. Includes expenses for organized activities that are unique to a teaching hospital, health services center, or clinic, and that directly support the provision of health care but cannot be considered part of the provision of direct patient care. Included in this subcategory are such activities as the pharmacy, blood bank, and X-ray services.
- Administration of Hospitals. Includes expenses for the day-to-day functioning and the long-range viability of the hospital, excluding physical plant operations.
- Physical Plant Operations for Hospitals. Includes expenses for activities related directly to maintaining the grounds and facilities of a hospital as well as providing utility services.

OTHER PCS ATTRIBUTES

Other PeopleSoft PCS attributes assigned to deptIDs can be used for items that are not reported by their function. Below is a list of those PCS codes and when they can be used:

- Retirement – only used for deptIDs utilizing funds 5000 and 5200
- Agency – only used for deptIDs utilizing fund range 6000-6030

The following is a table that contains the PCS codes as defined in PeopleSoft:

PCS Code	Long Description
11	Instruction
22	Research
32	Public Service
41	Libraries
42	Museum & Galleries
43	Education Media Services
45	Ancillary Support
46	Academic Admin & Personnel Dev
52	Student Services
61	Executive Management
62	Fiscal Operations
63	Gen Administrative Services
65	Public Relations & Develop
71	Operations of Maintenance and Plant
81	Scholarships & Fellowships
AUX	Auxiliary Enterprises
RET	Retirement Funds
AGEN	Agency Funds
HOSP	Hospitals