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#### New GASB Standard for Colleges & Universities Revises No. 34

The Governmental Accounting Standards Board (GASB) has published new standards for external financial reporting by public colleges and universities. These institutions will now follow the financial reporting standards GASB approved in June 1999, which considerably revised the look and content of state and local government financial statements.

The new standards—known as GASB Statement No. 35, Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities—amend GASB Statement 34, which dramatically changed how state and local governments report their finances (see cover article). Statement 35 extends the new financial reporting model to public colleges and universities.

According to the new standards, the separately issued financial statements of public colleges and universities will include:

- Management's discussion and analysis—a narrative overview and analysis, prepared by the institution's finance officers, of the information in the institution's financial statements focusing on the reasons for changes in the public institution's financial position from one year to the next;
- Basic financial statements—public colleges and universities will prepare the appropriate financial statements stipulated by Statement 34 for special-purpose governments engaged in business-type activities, government-type activities or both; and
- Notes to the financial statements.

One of the most significant changes for public colleges and universities is the requirement to amortize capital asset costs over the useful lives of those assets. Colleges and universities that are a unit of a state or local government will implement the new standards at the same time as their primary government, generally for fiscal years beginning July 1, 2001. More information about GASB and the new standard can be found at [www.gasb.org](http://www.gasb.org).