1102 GENERAL ACCOUNTING POLICY - FINANCIAL RESOURCES

The primary purpose of the accounting system is to account for resources in accordance with objectives established by the Trustees, management, donors, government agencies or others.

POLICY

1. BEN Financials (BEN), the financial accounting system, will be maintained in accordance with the principles of fund accounting.

2. Net assets that are not subject to donor-imposed restrictions will be accounted for as unrestricted net assets.

3. Net assets that are subject to legal or donor-imposed restrictions that will be met by actions of the University and/or the passage of time will be accounted for as temporarily restricted net assets. These net assets include gifts donated for specific purposes and capital appreciation on permanent endowment, which is restricted by Pennsylvania law on the amounts that may be expended in a given year.

4. Net assets that are subject to donor-imposed restrictions that require the original contribution be maintained in perpetuity by the University, but that permit the use of the investment earnings for general or specific purposes, will be accounted for as permanently restricted net assets.

5. Expenses will be recorded and reported as a decrease in unrestricted net assets.

6. Gains and losses on investment will be recorded and reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

7. Expirations of temporary restrictions recognized on net assets will be reported as net assets released from restrictions from temporarily restricted to unrestricted net assets.
8. Resources held by the University as custodian or fiscal agent for others will be accounted for as Agency Funds and shown as a liability on the Statement of Position.