Recognition for Tuition & Fee Revenue, Housing Revenue & Credits, Financial Aid, and Stipend Expense for the Academic Year – Policy

Date Effective
May 2018

Responsible Administrator: Vice Chancellor for Finance and Chief Financial Officer
Responsible Office: Controller’s Office
Academic Affairs’ Office
Policy Contact: Assistant Controller

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1. Policy Statement
All academic year tuition and fee revenue, housing revenues, financial aid, and stipends are deferred at the time of billing. The goal of this document is to define how to recognize tuition and fee revenue, housing revenues, financial aid, and stipend expense in accordance with general accepted accounting principles (GAAP) on a quarterly basis.

2. Scope
This policy applies to all Vanderbilt financial units receiving tuition and fees revenue, housing revenue, financial aid, and stipend expense for the academic year. This policy does not apply to the summer term; see separate policy.

3. Definitions
General Ledger - The general ledger contains all Vanderbilt financial transactions. Currently, the general ledger (system of record) is Oracle. Information from the general ledger is used by Vanderbilt to analyze, report, and monitor the results of the business.

Tuition and fees - Tuition is money received in exchange for instruction for which the student receives course credit. Fees are charges assessed by the university to students such as the student activity fee.

Housing revenues - Housing revenue is money received for the rental of residence hall rooms which are owned and operated by the university for use by students.
Financial aid – Financial aid is money offered to students in the form of a grant, scholarship or loan to help with university-related expenses.

Stipend expense – Stipends are money offered to students to cover expenses over the course of the academic term. Stipends have no service requirement. Payments to students for services provided to the university are student salary expense.

Revenue recognition principle – The accounting principle, under the accrual basis of accounting, whereby revenues are recognized when they are realized or realizable, and are earned (services provided) no matter when cash is received.

Matching principle – This accounting principle directs expenses be recorded on the income statement in the same period as the related revenues.

4. Policy

a) Entries are recorded quarterly to recognize tuition and fee revenue, housing revenue and financial aid to ensure revenues and related expenses are properly matched when earned.

b) Entries must be posted by the fourth day of close.

c) Recognition Methodology

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Academic Year Tuition</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fall Semester</td>
<td>Spring Semester</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Months earned in</td>
<td>Total months in</td>
<td>Percentage</td>
<td>Months earned in</td>
<td>Total months in</td>
<td>Percentage</td>
</tr>
<tr>
<td>Quarter</td>
<td>semester</td>
<td>semester</td>
<td>Recognized</td>
<td>semester</td>
<td>semester</td>
<td>Recognized</td>
</tr>
<tr>
<td>Q1</td>
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<td>4.5</td>
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<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Q2</td>
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<td>4.5</td>
<td>100.00%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Q3</td>
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<td>100.00%</td>
<td>3.0</td>
<td>4.5</td>
<td>66.67%</td>
</tr>
<tr>
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<td>4.5</td>
<td>100.00%</td>
<td>4.5</td>
<td>4.5</td>
<td>100.00%</td>
</tr>
</tbody>
</table>