

UNIVERSITY OF COLORADO OFFICE OF UNIVERSITY CONTROLLER (OUC)
Analysis of Sponsored Project Revenues
Effective Date: July 12, 2012

This document should be used to summarize the determination if a *Sponsored Project* will result in exchange, exchange-like or nonexchange transactions, and how those transactions should be reported on the financial statements.

The revenue recognition of *Sponsored Projects* is dependent on several variables and requires analysis of each *Sponsored Project* as follows:

Step 1. Determine if the activity results in an exchange transaction, exchange-like transaction, or nonexchange transaction.

Characteristic of Transaction		Applicable	Exchange	Exchange-like	Nonexchange
1	What type of reporting is required?	Yes / No	Technical report	Technical report	Progress or financial report only
2	If a capital project, who receives physical or capital asset ownership?	Yes / No	Sponsor only	Sponsor's designated beneficiary	Institution
3	Who receives intellectual property rights?	Yes / No	Institution and Sponsor	Institution and Sponsor's designated beneficiary	Institution
4	Who receives benefit of specialized service or skill (e.g., medical treatment, education, or training)?	Yes / No	Sponsor only	Sponsor's designated beneficiary	Institution
5	Who receives benefit of the fellowship?	Yes / No	N/A (institutions do not receive benefit from a fellowship)	Sponsor	No direct benefit to the sponsor

Overall conclusion from Step 1:
(attach support for rationale)

☐ Exchange ☐ Exchange-like ☐ Nonexchange

Step 2. Determine when revenue should be recognized. For exchange and exchange-like transactions, revenue should be recognized as it is earned. For nonexchange transactions, GASB 33 requires an evaluation of the impact that eligibility requirements have on the timing of revenue recognition for this type of transaction.

Type of eligibility requirement		Applicable	Nonexchange
1	Time Requirements	Yes / No	Defer until met
2	Reimbursements	Yes / No	Recognize when expense is incurred
3	Contingencies	Yes / No	Defer until met
4	None	Yes / No	Recognized as received

Step 3. Determine if revenue is operating or non-operating.

Revenue Classification		Exchange / Exchange-like	Nonexchange
1	Mission Related	Operating	Nonoperating
2	Non-mission Related	Non-operating	Nonoperating

Step 4. Determine if resulting net position is restricted or unrestricted.

Eligibility requirement / Purpose restriction		Applicable	Net Assets
1	Required characteristics of eligible recipients specified by sponsor	Yes / No	Unrestricted
1	Time Requirements	Yes / No	N/A – no resulting net asset
2	Reimbursements	Yes / No	N/A – no resulting net asset
3	Contingencies	Yes / No	N/A – no resulting net asset
4	Purpose restriction	Yes / No	Restricted (if received in advance)
5	No purpose restriction	Yes / No	Unrestricted