

703.111 Auxiliary Enterprises—Student

This subclass 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. However, intercollegiate athletics are excluded from this category.

703.112 Auxiliary Enterprises—Faculty/Staff

This subclass 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.

703.113 Intercollegiate Athletics

This subclass includes expenses for an intercollegiate sports program when the program is operated in accordance with the definition of an auxiliary enterprise (that is, it is essentially self-supporting).

703.114 Auxiliary Enterprises—Other

This subclass 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.

703.115 Other Self-Supporting Enterprises

This subclass includes activities that were established primarily to provide goods and services to other campus units on a fee-for-service basis. The following characteristics assist in identifying these units:

- They are self-supporting units that, over time, operate on a break-even basis for those goods and services offered to other units.
- They may 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 a self-supporting enterprise while the chemistry stores department that only services other chemistry units would be reported net within the academic support classification.

Expenses incurred under this subclass should be netted against revenues since the predominance of transactions is internal. Use of this classification does not preclude entities from reporting these and similar activities in other functional categories (e.g., research, academic support).

703.116 Auxiliary Enterprises –Depreciation

This subclass includes depreciation expense for facilities, equipment, and infrastructure assets of the institution's auxiliary enterprises. Independent institutions are required to allocate depreciation among their functional classes. Public institutions may report depreciation expense separately, include it with operation and maintenance of plant expenses, or allocate it among all the functional expense classifications. If a public institution chooses to report depreciation as a separate line item or to include all depreciation in the operation and maintenance of plant classification, this subclass would not be used.

703.117 Auxiliary Enterprises Information Technology

This subclass includes expenses for formally organized and/or separately budgeted auxiliary enterprise information technology. If an institution does not separately account for information technology resources, the costs associated with the three primary programs—instruction, research, and public service—will be classified as academic support and the remainder as institutional support.