Governmental & Non-Profit Accounting (GASB & FASB) Cheat Sheet

GRaSPP Governmental Funds, Modified Accrual, SE CIPPOE & FASB ASC 958 Net Assets with Donor Restrictions

1. GASB FUND STRUCTURE & THE 'GRaSPP' / 'SE CIPPOE' MNEMONICS

Category & Mnemonic	Measurement Focus & Basis	Fund Types Included & Accounting Purpose
Governmental Funds: GRaSPP	**Current Financial Resources** **Modified Accrual Basis** (Revenues recognized when measurable and available; expenditures when liability incurred)	• **G:** General Fund (ordinary operations) • **R:** Special Revenue (restricted taxes/fees) • **S:** Debt Service (principal & interest) • **P:** Capital Projects (construction of facilities) • **P:** Permanent Fund (principal legally protected)
Proprietary Funds: SE	**Economic Resources** **Full Accrual Basis** (like commercial business; recognizes depreciation & debt)	• **S:** Internal Service Funds (services within govt) • **E:** Enterprise Funds (services to public, e.g., utilities, toll roads, transit)
Fiduciary Funds: CIPPOE	**Economic Resources** **Full Accrual Basis** (funds held in trust for third parties)	• **C:** Custodial Funds • **I:** Investment Trust • **P:** Private-Purpose Trust • **POE:** Pension & Other Employee Benefit Trusts

2. NON-PROFIT ENTITY NET ASSET CLASSIFICATION (FASB ASC 958)

Net Asset Class	FASB Definition & Restriction Source	Financial Accounting & Reclassification Rule
Net Assets WITHOUT Donor Restrictions	Available for general operating use. Board-designated endowments are still classified as WITHOUT restriction because board can reverse.	Revenues, program expenses, and administrative overhead flow through this classification on Statement of Activities.
Net Assets WITH Donor Restrictions	Subject to donor-imposed stipulations: • **Purpose Restriction** (e.g., cancer research) • **Time Restriction** (e.g., pledge payable in 2 yrs) • **Perpetual Restriction** (permanent endowment)	When donor restriction is satisfied, reclassify: **Dr. Net Assets Released from Restriction (WITH)** **Cr. Net Assets Released from Restriction (WITHOUT)**