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COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS
CASB DS-2

**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
REQUIRED BY PUBLIC LAW 100-679
EDUCATIONAL INSTITUTIONS**

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**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
REQUIRED BY PUBLIC LAW 100-679
EDUCATIONAL INSTITUTIONS**

GENERAL INSTRUCTIONS

1. This Disclosure Statement has been designed to meet the requirements of Public Law 100-679, and persons completing it are to describe the Educational institution and its cost accounting practices. For complete regulations, instructions and timing requirements concerning submission of the Disclosure Statement, refer to Section 9903.202 of Chapter 99 of Title 48 CFR (48 CFR 9903).
2. Part I of the Statement provides general information concerning each reporting unit (e.g., segments, business units, and central system or group (intermediate administration) offices). Parts II through VI pertain to the types of costs generally incurred by the segment or business unit directly performing under Federally sponsored agreements (e.g., contracts, grants and cooperative agreements). Part VII pertains to the types of costs that are generally incurred by a Central or Group office and are allocated to one or more segments performing under Federally sponsored agreements.
3. Each segment or business unit required to disclose its cost accounting practices should complete the Cover Sheet, the Certification, and Parts I through VI.
4. Each central or group office required to disclose its cost accounting practices for measuring, assigning and allocating its costs to segments performing under Federally sponsored agreements should complete the Cover Sheet, the Certification, Part I and Part VII of the Disclosure Statement. Where a central or group office incurs the types of cost covered by Parts IV, V and VI, and the cost amounts allocated to segments performing under Federally sponsored agreements are material, such office(s) should complete Parts IV, V, or VI for such material elements of cost. While a central or group office may have more than one reporting unit submitting Disclosure Statements, only one Statement needs to be submitted to cover the central or group office operations.
5. The Statement must be signed by an authorized signatory of the reporting unit.
6. The Disclosure Statement should be answered by marking the appropriate line or inserting the applicable letter code, which describes the segment's (reporting unit's) cost accounting practices.
7. A number of questions in this Statement may need narrative answers requiring more space than is provided. In such instances, the reporting unit should use the attached continuation sheet provided. The continuation sheet may be reproduced locally as needed. The number of the question involved should be indicated and the same coding required to answer the questions in the Statement should be used in presenting the answer on the continuation sheet. Continuation sheets should be inserted at the end of the pertinent Part of the Statement. On each continuation sheet, the reporting unit should enter the next sequential page number for that Part and, on the last continuation sheet used, the words "End of Part" should be inserted after the last entry.
8. Where the cost accounting practice being disclosed is clearly set forth in the institution's existing written accounting policies and procedures, such documents may be cited on a continuation sheet and incorporated by reference to the pertinent Disclosure Statement Part. In such cases, the reporting unit should provide the date of issuance and effective date for each accounting policy and/or procedures document cited. Any supplementary comments needed to fully describe the cost accounting practice being disclosed should also be provided.
9. Disclosure Statements must be amended when disclosed practices are changed to comply with a new CAS or when practices are changed with or without agreement to the Government (Also see 48 CFR 9903.202-3).
10. Amendments shall be submitted to the same offices to which submission would have to be made were an original Disclosure Statement being filed.

**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
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EDUCATIONAL INSTITUTIONS**

GENERAL INSTRUCTIONS

11. Each amendment should be accompanied by an amended cover sheet (indicating revision number and effective date of the change) and a signed certification. For all resubmissions, on each page, insert “Revision Number _____” and “Effective Date _____” in the Item Description block; and, insert “Revised” under each Item Number amended. Resubmitted Disclosure Statements must be accompanied by similar notations identifying the items which have been changed.

ATTACHMENT - Blank Continuation Sheet

**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
REQUIRED BY PUBLIC LAW 100-679
EDUCATIONAL INSTITUTIONS**

COVER SHEET AND CERTIFICATION

0.1	Educational Institution
(a)	Name University of Delaware
(b)	Street Address 112 Hullihen Hall
(c)	City, State and ZIP Code Newark, DE 19716-0101
(d)	Division or Campus of (if applicable) Main
0.2	Reporting Unit is: (Mark one.)
A.	<input checked="" type="checkbox"/> Independently Administered Public Institution
B.	<input type="checkbox"/> Independently Administered Nonprofit Institution
C.	<input type="checkbox"/> Administered as Part of a Public System
D.	<input type="checkbox"/> Administered as Part of a Nonprofit System
E.	<input type="checkbox"/> Other (Specify) _____
0.3	Official to Contact Concerning this Statement:
(a)	Name and Title Alvin B. Roberson III, Associate Treasurer Financial Services
(b)	Phone Number (include area code and extension) (302) 831-8964
0.4	Statement Type and Effective Date:
A.	(Mark type of submission. If a revision, enter number)
(a)	<input checked="" type="checkbox"/> Original Statement
(b)	<input type="checkbox"/> Amended Statement; Revision No. _____
B.	Effective Date of this Statement: (Specify) December 23, 1997
0.5	Statement Submitted To (Provide office name, location and telephone number, include area code and extension):
A.	Cognizant Federal Agency: Department of Defense Office of Naval Research 800 North Quincy Street, BCT 1, Room 717 Arlington, VA 22217-5660 (703) 696-2571
B.	Cognizant Federal Auditor: Defense Contract Audit Agency DCAA Southern NJ Branch Woodcrest Pavilion 10 Melrose Avenue, Suite 200 Cherry Hill, NJ 08003-3647

**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
REQUIRED BY PUBLIC LAW 100-679
EDUCATIONAL INSTITUTIONS**

**PART I - GENERAL INFORMATION
NAME OF REPORTING UNIT
UNIVERSITY OF DELAWARE**

Item No.	Item Description
Part I	
1.1.0	<p><u>Description of Your Cost Accounting System</u> for recording expenses charged to Federally sponsored agreements (e.g., contracts, grants and cooperative agreements). (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. _____ Accrual</p> <p>B. <input checked="" type="checkbox"/> Modified Accrual Basis¹</p> <p>C. <input checked="" type="checkbox"/> Cash Basis</p> <p>Y. _____ Other¹</p>
1.2.0	<p><u>Integration of Cost Accounting with Financial Accounting.</u> The cost accounting system is: (Mark one. If B or C is marked, describe on a continuation sheet the costs, which are accumulated, on memorandum records.)</p> <p>A. _____ Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts.)</p> <p>B. _____ Not integrated with financial accounting records (Cost data are accumulated on memorandum records.)</p> <p>C. <input checked="" type="checkbox"/> Combination of A and B</p>
1.3.0	<p><u>Unallowable Costs.</u> Costs that are not reimbursable as allowable costs under the terms and conditions of Federally sponsored agreements are: (Mark one)</p> <p>A. _____ Specifically identified and recorded separately in the formal financial accounting records.¹</p> <p>B. _____ Identified in separately maintained accounting records or workpapers.¹</p> <p>C. _____ Identifiable through use of less formal accounting techniques that permit audit verification.¹</p> <p>D. <input checked="" type="checkbox"/> Combination of A, B or C¹</p> <p>E. _____ Determinable by other means.¹</p>
1.3.1	<p><u>Treatment of Unallowable Costs.</u> (Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group office allocates costs to a segment.)</p>

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
Item No.	Item Description	
1.4.0	<u>Cost Accounting Period:</u> 7/1 - 6/30 (Specify the twelve month period used for the accumulation and reporting of costs under Federally sponsored agreements, e.g., 7/1 to 6/30. If the cost accounting period is other than the Institution's fiscal year used for financial accounting and reporting purposes, explain circumstances on a continuation sheet.)	
1.5.0	<u>State Laws or Regulations.</u> Identify on a continuation sheet any State laws or regulations, which influence the institution's cost accounting practices, e.g., State administered pension plans, and any applicable statutory limitations or special agreements on allowance of costs.	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part I – General Information	
		NAME OF REPORTING UNIT University of Delaware	
Item No.	Item Description		
1.1.0	<p><u>Description of Your Cost Accounting System</u></p> <p>The Financial Statements of the University are prepared on the modified accrual basis of accounting. Direct costs are charged to sponsored agreements on a cash basis. Year-end accrual entries are made for salary and non-salary charges for services performed and for goods over \$1,000 physically received prior to the close of the fiscal year. However, only goods received over \$1,000 can be accrued to sponsored agreements. Fringe benefits and facilities and administrative costs are applied at rates provided in the rate agreement negotiated with the government.</p>		
1.2.0	<p><u>Integration of Cost Accounting with Financial Accounting</u></p> <p>Direct costs that are charged to grants are fully integrated with the University’s financial accounting system.</p> <p>The amounts included in the University’s indirect cost center pools are based on cost information generated by the financial accounting system. Adjustments and reclassifications are needed to recast the cost pools mandated in OMB Circular A-21. Also as discussed in 3.1.0, the depreciation and department administration costs are not accumulated within the formal accounting system but are identified through generally accepted cost finding techniques or other calculations. The allocation of facilities and administrative costs and fringe benefits and the development of indirect cost rates are also accomplished cost finding procedures.</p>		
1.3.0	<p><u>Unallowable Costs</u></p> <p>Unallowable costs such as public relations/entertainment, donations/contributions, penalties/fines, bad debts, legal settlements, rare books, and catering food costs are recorded as specific object codes in the general ledger. These object codes are classified and identified as unallowable, either direct or indirect, where federal programs are concerned.</p> <p>Costs that are unallowable as defined in OMB Circular A-21 are identified and recorded in the University’s formal financial records in two distinct ways. First, for entire functional units or general areas of expense that are unallowable, the entire unit account code(s) carries an “unallowable” designation for elimination from the cost pool. Examples include the Alumni Relations Office, the Gift Development Office, and the Investment Office.</p> <p>Second, individual items of expense that are unallowable across all units are segregated by the object code on each transaction. Examples include entertainment, advertising, and alcoholic beverages.</p> <p>During the preparation of the facilities and administration indirect cost rate proposal, the formal accounting records are further reviewed to ensure that all unallowable costs have been properly identified.</p>		

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part I – General Information	
		NAME OF REPORTING UNIT University of Delaware	
Item No.	Item Description		
1.3.1	<p><u>Treatment of Unallowable Costs</u></p> <p>Unallowable costs are excluded from charges to federally sponsored agreements.</p> <p>As required by CAS 505 where unallowable costs would normally be part of a regular indirect cost allocation base, they will remain in that base. This is accomplished by classifying such costs as Other Institutional Activities and allocating a proportion of indirect costs to this activity.</p> <p>Section B.1.d of OMB Circular A-21 requires the classification of unallowable activities as Other Institutional Activities. In the interest of consistency, the University has elected to treat unallowable costs in this manner if the unallowable costs would normally be included in the Modified Total Direct Cost base specified in A-21. An exception to this treatment is made for cost overruns and unallowable direct costs of federal-sponsored awards. These costs would remain in the MTDC base for sponsored agreements.</p> <p>Unallowable costs are accumulated both by object code (natural classification) and/or by segregation in accounts set up specifically for unallowable activities. These cost groupings may then be excluded from cost pools, but can be included in the appropriate base. Cost overruns are accumulated in the project account, and thereby carry the same cost objective (base) coding as the other expenditures for the project. Overruns are allowable costs that exceed the resources authorized for the contract or grant. Therefore they become cost sharing and are a part of the negotiated six percent cost sharing. That becomes a part of the cost base. Such cost are removed from the project cost at close out and journalized to an institutional source of funds.</p>		
1.5.0	<p><u>State Laws or Regulations</u></p> <p>The University of Delaware is not aware of any state laws or regulations that influence the institution's cost accounting practices.</p>		
	End of Part 1		

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
Item No.	Item Description	
	Instructions for Part II Institutions should disclose what costs are, or will be, charged directly to Federally sponsored agreements or similar cost objectives as Direct Costs. It is expected that the disclosed cost accounting practices (as defined at 48 CFR 9903.302-1) for classifying costs either as direct costs or indirect costs will be consistently applied to all costs incurred by the reporting unit.	
2.1.0	<u>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For all major categories of cost under each major function or activity such, as instruction, organized research, other sponsored activities and other institutional activities, describe on a continuation sheet, your criteria for determining when costs incurred for the same purpose, in like circumstances, are treated either as direct costs only or as indirect costs only with respect to final cost objectives. Particular emphasis should be placed on items of cost that may be treated as either direct or indirect costs (e.g., Supplies, Materials, Salaries and Wages, Fringe Benefits, etc.) depending upon the purpose of the activity involved. Separate explanations on the criteria governing each direct cost category identified in this Part II are required. Also, list and explain if there are any deviations from the specified criteria.)	
2.2.0	<u>Description of Direct Materials.</u> All materials and supplies directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the principal classes of materials, which are charged as direct materials and supplies.)	
2.3.0	<u>Method of Charging Direct Materials and Supplies.</u> (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)	
2.3.1	<u>Direct Purchases for Projects are Charged to Projects at:</u> A. _____ Actual Invoiced Costs B. <input checked="" type="checkbox"/> Actual Invoiced Costs Net of Discounts Taken Y. _____ Other(s) ¹ Z. _____ Not Applicable	
2.3.2	<u>Inventory Requisitions from Central or Common, Institution-owned Inventory.</u> (Identify the inventory valuation method used to charge projects): A. _____ First In, First Out B. _____ Last In, First Out C. _____ Average Costs ¹ D. _____ Predetermined Costs ¹ Y. <input checked="" type="checkbox"/> Other(s) ¹ Z. _____ Not Applicable	

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE				
Item No.	Item Description					
2.4.0	<u>Description of Direct Personal Services.</u> All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal service costs within each major institutional function or activity that are charged as direct personal services.)					
2.5.0	<u>Method of Charging Direct Salaries and Wages.</u> (Mark the appropriate line(s) for each Direct Personal Services Category to identify the method(s) used to charge direct salary and wage costs to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, fully describe on a continuation sheet, the applicable methods used.)					
		<u>Direct Personal Services Category</u>				
		<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other¹</u>	
		(1)	(2)	(3)	(4)	
	A.	Payroll Distribution Method (Individual time card/actual hours and rates)	_____	_____	_____	_X_
	B.	Plan - Confirmation (Budgeted, Planned or assigned work activity, Updated to reflect significant changes)	_X_	_X_	_X_	_____
	C.	After-the-fact Activity Records (Percentage Distribution of employee activity)	_____	_____	_____	_____
	D.	Multiple Confirmation Records (Employee Reports prepared each academic term, to account for employee's activities, direct and indirect charges are certified separately.)	_____	_____	_____	_____
	Y.	Other(s) ¹	_____	_____	_____	_____
2.5.1	<u>Salary and Wage Cost Distribution Systems.</u>					
	Within each major function or activity, are the methods marked in Item 2.5.0 used by all employees compensated by the reporting unit? (If "NO", describe on a continuation sheet, the types of employees not included and describe the methods used to identify and distribute their salary and wage costs to direct and indirect cost objectives.)					
	X	Yes				
	_____	No				

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
Item No.	Item Description	
2.5.2	<u>Salary and Wage Cost Accumulation System.</u> (Within each major function or activity, describe, on a continuation sheet, the specific accounting records or memorandum records used to accumulate and record the share of the total salary and wage costs attributable to each employee's direct (Federally sponsored projects, non-sponsored projects or similar cost objectives) and indirect activities. Indicate how the salary and the wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records.)	
2.6.0	<u>Description of Direct Fringe Benefits Costs.</u> All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet <u>all</u> of the different types of fringe benefits which are classified and charged as direct costs, e.g., actual or accrued costs of vacation, holidays, sick leave, sabbatical leave, premium pay, social security, pension plans, post-retirement benefits other than pensions, health insurance, training, tuition, tuition remission, etc.)	
2.6.1	<u>Method of Charging Direct Fringe Benefits.</u> (Describe on a continuation sheet, how each type of fringe benefit cost identified in item 2.6.0. is measured, assigned and allocated (for definitions, See 9903.302-1); first, to the major functions (e.g., instruction, research); and, then to individual projects or direct cost objectives within each function.)	
2.7.0	<u>Description of Other Direct Costs.</u> All other items of cost directly identified with Federally sponsored agreements or similar cost objectives. (List on a continuation sheet the principal classes of other costs which are charged directly, e.g., travel, consultants, services, subgrants, subcontracts, malpractice insurance, etc.)	

FORM CASB DS-2 (REV 10/94)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE																														
Item No.	Item Description																															
2.8.0	<p><u>Cost Transfers.</u> When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants or contracts, is the credit amount for direct personal services, materials, other direct charges and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project (Consider transactions where the original charge and the credit occur in different cost accounting periods). (Mark one, if "No", explain on a continuation sheet how the credit differs from original charge.)</p> <p>_____ Yes</p> <p><u> X </u> No</p>																															
2.9.0	<p><u>Interorganizational Transfers.</u> This item is directed only to those materials, supplies, and services which are, or will be transferred to you from other segments of the educational institution. (Mark the appropriate line(s) in each column to indicate the basis used by you as transferee to charge the cost or price of interorganizational transfers or materials, supplies, and services to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, explain on a continuation sheet.)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Materials</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Supplies</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Services</u></th> </tr> <tr> <th></th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> </tr> </thead> <tbody> <tr> <td>A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>C. At established catalog or market price or prices based on adequate competition.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Y. Other(s)¹</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Z. Interorganizational transfers are not applicable.</td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;"><u> X </u></td> </tr> </tbody> </table>					<u>Materials</u>	<u>Supplies</u>	<u>Services</u>		(1)	(2)	(3)	A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	C. At established catalog or market price or prices based on adequate competition.	_____	_____	_____	Y. Other(s) ¹	_____	_____	_____	Z. Interorganizational transfers are not applicable.	<u> X </u>	<u> X </u>	<u> X </u>
	<u>Materials</u>	<u>Supplies</u>	<u>Services</u>																													
	(1)	(2)	(3)																													
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Z. Interorganizational transfers are not applicable.	<u> X </u>	<u> X </u>	<u> X </u>																													

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet

<p align="center">COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>		<p align="center">CONTINUATION SHEET Part II – Direct Costs</p>
		<p align="center">NAME OF REPORTING UNIT University of Delaware</p>
Item No.	Item Description	
2.1.0	<p><u>Criteria for Determining How Costs are Charged to Federal Agreements or Similar Cost Objectives</u></p> <p>The University follows the general guidelines in Sections D and E of Circular A-21. Accordingly, costs that can be specifically identified with a particular federal award, instructional activity or other institutional activity or can be directly assigned to such activities easily with a high degree of accuracy are treated as direct costs. Conversely, costs incurred for common objectives, which cannot be readily identified with a particular federal award or other activity, are treated as indirect costs. Further, the University’s indirect costs are consistent with the definitions in Section F of A-21.</p> <p>Every effort is made to classify costs (i.e., salaries, fringes, material, supplies, etc.) incurred for the same purpose consistently as either direct or indirect costs. Specific policies have been established by the University to assist in the accomplishment of this objective.</p>	
2.2.0	<p><u>Description of Direct Materials</u></p> <p>Materials and supplies directly identified with federally sponsored agreements are charged via coding the requisition at the department level. Coding of the transaction includes the account number and object code which appropriately identifies the cost objective. Types of material that are generally charged to federal awards are laboratory and office supplies, photographic supplies, minor equipment costing less than \$5,000 and general supplies.</p>	
2.3.2	<p><u>Inventory Requisitions from Central or Common, Institution-owned Inventory.</u></p> <p>The University has three inventory systems that charge regularly to sponsored programs; Chemical Storeroom, Central Stores and Biological Storeroom. The first two use a latest price method of inventory valuation. With the latest price method, each time a new purchase is made both new items and those items carrying forward from before the acquisition of added items are repriced to the cost of the new items. This may result in pricing above or below original cost. Both storerooms add a markup to inventory sales to cover the costs of storeroom personnel and supplies used to run the storeroom. Annually, variances plus or minus caused by the price changes in the latest price inventory method are used as adjustments to the markup, in effect returning the aggregate sales to a cost basis. For example, in a period of rising prices, the markup would be reduced to compensate for the price increases on older stock. In a period of falling prices, the markup would be increased to compensate for the issuance of older items at below cost. The Biological Storeroom uses an average price method of valuation. That is, remaining items times cost plus new items times cost divided by total items equals new cost. All costs of storerooms are excluded from the indirect cost pools.</p>	
2.4.0	<p><u>Description of Direct Personal Services</u></p> <p>Personal services directly identified with federally sponsored awards consist of faculty, staff researchers, research associates, lab technicians, graduate assistants and other support staff. Their compensation includes both salaries and wages and related fringe benefits. Support staff includes clerical and administrative personnel charged in compliance with OMB Circular A-21, Section F.6b. In addition, miscellaneous wage, graduate students and undergraduate students are occasionally charged.</p> <p><u>Method of Charging Direct Salaries and Wages</u></p>	
2.5.0	<p>The majority of students working on sponsored agreements are Graduate students, and these students are compensated and charged in the same method as full time faculty and staff. Undergraduate students, graduate students not under contract, and miscellaneous wage (non-regular) employees report time biweekly on timesheets or clock cards.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part II – Direct Costs NAME OF REPORTING UNIT University of Delaware	
Item No.	Item Description		
2.5.1	<p><u>Salary and Wage Cost Distribution Systems.</u></p> <p>Under an agreement with the University’s cognizant agency, only employees direct costed to sponsored agreements or cost sharing on sponsored agreements use confirmation of activity reporting. Other employees are either single activity, or their cost are allocated to indirect objectives on a modified total direct cost basis. Single activity means that an employee only expends effort for one cost objective. Direct or indirect.</p>		
2.5.2	<p><u>Salary and Wage Cost Accumulation System</u></p> <p>The University uses both a plan-confirmation system and a monthly reporting system to accumulate salaries and wages.</p> <p>In the first case, responsible officials determine and record the planned distribution of each University employee’s salary on a payroll distribution form based on an estimate of the employee’s effort. The completed payroll distribution forms are used to distribute salary costs to University accounts. Significant changes in work activity are identified on an on-going basis and adjustments are made in charges to reflect the changes. Additionally, on a semi-annual basis, a responsible official with suitable means of verification signs the labor distribution form that the work was performed and that the salary charges are accurate. A suitable official means a person with first hand knowledge of employee’s activities. This normally would be the direct supervisor, or an alternate unit administrator when that administrator has more direct knowledge of the employee’s activities. This process is consistent with the requirements of Circular A-21, Section J.8. Forms used in this process include the budget turnaround document (annual only), personnel action form, effort report, and journal voucher.</p> <p>As an option, for units with multiple sponsored agreements and regular changes of activity levels by staff that make the plan-confirmation method impractical, units may charge personnel to a clearing account, and clear the charges to all cost objectives monthly based on monthly time reporting by such personnel. A semi-annual certification summarizes the results of the monthly reports. At this time four academic units out of approximately sixty have opted for the monthly method. These units are, the College of Marine Studies, the School of Urban Affairs and Public Policy, the Center for Composite Materials, and the Institute of Energy Conversion. Forms are the same as used above except that journal vouchers are used monthly, and changes to distribution may take the form of memoranda.</p> <p>The budget turnaround document and the personnel action forms are payroll input forms, and the resulting entries to the institutions financial accounting records are a direct product of the plan forms. The gross payroll is reconciled by the fact that entries from the payroll system will only be accepted into the financial accounting records as a balanced file; that is, charges must equal cash plus benefit liability credit entries. Each sponsored project is further reconciled to budgeted plan (as amended if appropriate) during the final close out process.</p> <p>Occasionally, employees receive additional compensation for duties other than regular duties. The resulting overload salaries and wages do not follow the plan-confirmation system used for the employee’s regular pay. Under university policy, faculty may receive additional compensation for teaching above their standard load. This includes teaching an additional course, teaching in the winter or summer terms, or teaching a distance learning course. A modest amount of overtime may be charged to sponsored agreements, usually for employees 100% time on the agreement or under special circumstances that warrant such charges. Salaries and wages are recorded directly to the benefiting cost objective</p>		

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2.6.0	<p>The above-described system identifies the salaries directly charged to federal programs. For cost sharing purposes, the University has negotiated this amount with the cognizant agency. Currently this amount is 6% of MTDC.</p> <p><u>Description of Direct Fringe Benefits Costs</u></p> <p>Fringe benefits costs that are attributable to direct salaries and wages are charged to federal awards based on the application of a fixed benefit rate. The University has a formal negotiation agreement with the federal cognizant agency establishing the fringe rate for each year. The following fringe benefits are included in this negotiated rate:</p> <p><u>FICA (Social Security)</u> The University makes social security payments on behalf of employees in accordance with the provisions of the Federal Insurance Contributions Act.</p> <p><u>RETIREMENT</u> Participation in the University Retirement Program through Teachers Insurance and Annuity Association (TIAA)-College Retirement Equity Fund (CREF) and Fidelity Investments is mandatory at age 35 for all full-time and part-time members of the faculty and professional staff at the beginning of the contract year following attainment of age 35. Participation is optional for eligible persons under 35. The required minimum individual percentage of benefits base salary is 4% and the maximum percentage is subject to IRS regulations. The University contributes 11% of the individual’s benefits base salary providing the individual contributes the required 4%. The individual allocates contributions among a variety of investment funds or accounts offered by TIAA-CREF and Fidelity.</p> <p>Voluntary tax-deferred programs are available to faculty, professional, hourly, and salaried staff members through TIAA-CREF and Fidelity Investments. These programs are for employees who wish to set aside extra tax-deferred funds (within IRS regulations). The University makes no contribution to these plans. Tax penalties may occur when individuals withdraw contributions prematurely from a tax-deferred plan.</p> <p>Salaried and hourly (AFSCME) staff employees participate in the Delaware State Employees’ Pension Plan. In accordance with the State Pension Statute, a mandatory pre-tax contribution is required-which is equivalent to 3 percent of salary in excess of \$6,000/year plus 5 percent of salary in excess of the Social Security base.</p> <p>Agricultural Extension staff members holding cooperative appointments with the U.S. Department of Agriculture participate in the Federal Retirement Plan as well as the University Retirement Plan.</p> <p><u>WORKER’S COMPENSATION</u> All paid employees of the University are protected by Worker’s Compensation Insurance for any occupational injury or illness. This protection covers prescribed medical treatment and hospitalization, if necessary. In the case of lost time injuries, it provides benefit payments through the University’s insurance carrier.</p> <p><u>DISABILITY INSURANCE</u> The University provides for continuing income in the event of total disability to eligible employees through TIAA Total Disability Insurance. Visiting employees are not eligible for this benefit.</p> <p>The State of Delaware Pension Plan provides disability income to participants who qualify with at least five years of service under the Plan at the time disability begins. Benefits are based on average salary (5 years) and total service in accordance with the formula stated in Chapter 55, Title 29, Delaware Code.</p>		

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	<p><u>ANNUAL PHYSICAL EXAMINATION</u> The University assists employees in meeting the cost of annual expenses for services provided by physicians, technicians, opticians, etc. This benefit can be used for annual physical examinations, ob-gyn examinations (including lab tests if required as part of the annual exam), eye examinations, optical fittings, hearing examinations and hearing aid fittings.</p> <p>Full-time employees (except for temporary employees in their first year of service) can receive up to \$150 per fiscal year; and part-time employees, up to one-half the full-time entitlement (\$75). Although reimbursed through the University payroll system, Annual Physical Examination Program benefits are not taxable income.</p> <p><u>HEALTH CARE INSURANCE</u> The University provides health insurance programs through Blue Cross & Blue Shield of Delaware (BCBSD) and Principal Health Care of Delaware. Full-time and part-time employees and visiting classifications are eligible for this benefit. The University funds a large portion of the health insurance costs for eligible employees.</p> <p><u>RETIREE HEALTH CARE INSURANCE</u> The Blue Cross & Blue Shield and Principal Health Care programs may be continued after retirement without a lapse of coverage. If the retiring employee is under age 65, coverage continues at the same cost as if he/she remained on the University payroll. At age 65, spouses and retirees each receive funding towards individual Blue Cross & Blue Shield or Principal plans that are supplemental to Medicare. There is no cost for the Medicare supplement to the retiree or spouse. The surviving spouse of a deceased retiree is also entitled to continued coverage.</p> <p>If the retiree participates in the State pension plan, health care coverage is transferred to the State pension group. If the retiree participates solely in the TIAA-CREF and Fidelity Investments program, health care coverage is provided through the University retired group.</p> <p><u>TUITION REMISSION/FEE WAIVER/COOPERATIVE TUITION EXCHANGE</u> The University offers a Tuition Remission Program for eligible full-time and part-time employees. This program allows up to two tuition remission requests per semester for each employee. The student must be either a spouse or a dependent child of the employee and must be a full-time matriculated undergraduate student.</p> <p>The University offers a Course Fee Waiver for eligible full-time and part-time employees. The employee may register for two courses each semester or session. The maximum per calendar year is six requests for full-time employees and three for part-time employees. Eligible employees may transfer this benefit to a spouse or dependent child.</p> <p>All eligible full-time employees may register for one course each term or semester without payment of course fees at Delaware State University or Delaware Technical and Community College. A reciprocal arrangement is available to eligible employees of Delaware State University and Delaware Technical and Community College for courses at the University of Delaware. This program is not transferable to a spouse or dependent child.</p> <p>Tuition Remission/Fee Waiver for dependents is unallowable after fiscal year 1998-1999, per A-21 regulations. The University has predetermined rates through fiscal year 1999-2000, which decline in the last year in recognition of this change.</p>	

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	<p><u>MAJOR MEDICAL</u> Major Medical Wrap coverage occurs for those eligible employees in the Basic health care plan and covers days 121 through 365 of inpatient hospital confinement.</p> <p><u>BLOOD BANK</u> The University makes available, at no cost to the individual, membership in the Blood Bank of Delaware. Eligible full-time and part-time employees may enroll at any time.</p> <p><u>DENTAL PROGRAM</u> The University provides dental insurance for eligible full-time and part-time employees and their families. The University pays the entire monthly premium for full-time employees and eligible family members enrolled in the program. Part-time employees who are scheduled to work less than 75% time (and 50% or more time) receive a pro-rated UD contribution and pay the remainder of the cost through pre-tax payroll deductions. University retirees have a one-time opportunity at retirement to continue dental insurance at group rates. The retiree pays this cost.</p> <p><u>GROUP LIFE INSURANCE</u> The University offers group term life insurance through the flexible benefits program to eligible full-time and part-time employees, except for “visiting” classifications. There are four options available: \$10,000, \$50,000, two times annual base salary, and four times annual base salary. The University bears the full cost of all options except four times annual base salary. University retirees have a one-time opportunity at retirement to continue term life insurance at group rates. This coverage is renewable term insurance which decreases in amount as the retiree reaches various age brackets. This cost is paid by the retiree.</p> <p><u>FLEX CASH</u> This program offers a variety of options for health, dental, life and disability insurance coverage. Employees are able to use Udollars provided by the University to assist in paying for the benefits selected. If the total cost of the options chosen exceeds the Udollars paid by the University, employees pay the difference in pre-tax dollars. If the total cost of the benefits selected is less than the Udollars provided, employees receive the difference as taxable cash.</p> <p><u>EMPLOYEE SERVICE AWARD</u> Employees are eligible for service awards based on their length of continuous service with the University. The awards shall recognize and express appreciation for service to the University. Employees shall receive awards upon completion of 5, 10, 15, 20, 25, 30, 35 and 40 years of service.</p> <p><u>DEATH BENEFIT SUPPLEMENT</u> The University continues the salaries of deceased employees who die while in service. One month’s salary is paid to the dependent survivor.</p> <p>Holiday, Sick, Vacation, Sabbatical Leave and Unemployment are not included in the Fringe Benefit Rate calculation but are charged as incurred. These costs (except sabbatical leave) are charged to cost objectives in the same ratio as all other charges each pay period and therefor are proportionally charged to direct and indirect cost pools as appropriate. Sabbatical leave pay is only charged to sponsored agreements when the employee expends direct effort while on sabbatical leave. Otherwise, sabbatical pay is included in the instructional cost base only. All such pay is included in the allocation base for benefit rate calculations.</p>	

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2.6.1	<p><u>Method of Charging Direct Fringe Benefits</u></p> <p>The University uses the averaging concept to allocate fringe benefit costs to major functions and to individual projects or direct cost objectives. The averaging concept is implemented through the application of a fringe benefit rate. This rate is predetermined through FY 2000. This rate is negotiated with the federal cognizant agency. The agreement is the result of a review process which begins with the submission of actual costs for a base year and projections for the next year. Actual and projected costs are itemized in accordance with the benefit cost components identified in Section 2.6.0 of this statement.</p> <p>The University uses 100% of all payroll salaries and wages as the allocation bases for benefit costs. The total is allocated in five distinct bases, Faculty and Professional, Staff, Graduate students, Undergraduate students, and miscellaneous employees. Benefits are allocated to each respective pool on the basis of usage studies which vary by benefit in accordance with University benefit policy and/or the related government mandate (e.g. FICA statutes).</p> <p>Given that a previously negotiated fringe benefit rate is used to charge fringe benefit costs that are charged to federal awards, actual fringe benefit costs are not incurred for a fiscal year and are not allocated to these awards or to similar cost objectives. Actual fringe benefit costs are accumulated in specific fringe benefit accounts for future rate determination, audit and budgetary control purposes.</p>		
2.7.0	<p><u>Description of Other Direct Costs</u></p> <p>Other direct costs (not including materials and supplies or personnel costs) are charged using the same method as materials and supplies discussed in 2.2.0</p> <p>Expenses other than labor, materials and supplies which are charged directly to federal awards may include:</p> <ul style="list-style-type: none"> Consultants Contract Services (Third party contractors; e.g. audit services) Travel Equipment Printing Subcontracts Telephone Long Distant Costs Postage Rent and other facility costs of off-campus facilities Other miscellaneous expenses 		
2.8.0	<p><u>Cost Transfers</u></p> <p>For the majority of cost transfers, the amount credited for direct costs and indirect costs is the same as the original amount charged. However, if a cost transfer crosses fiscal years, the indirect costs and the fringe benefit rate(s) of the new fiscal year are used in determining the amount of credit to the original account as part of the automated system of charging such costs.</p> <p>The University does not believe that this practice has a significant effect on charges to federally sponsored agreements.</p> <p>End of Part II</p>		

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART III - INDIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
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	<p style="text-align: center;">Instructions for Part III</p> <p>Institution should disclose how the segment's total direct costs are identified and accumulated in specific indirect cost categories and allocated to applicable indirect cost pools and service centers within each major function or activity, how service center costs are accumulated and "billed" to users, and the specific indirect cost pools and allocation bases used to calculate the indirect cost rates that are used to allocate accumulated indirect costs to Federally sponsored agreements or similar final cost objectives. A continuation sheet should be used wherever additional space is required or when a response requires further explanation to ensure clarity and understanding.</p> <p>The following Allocation Base Codes are provided for use in connection with Items 3.1.0 and 3.3.0.</p> <ul style="list-style-type: none"> A. Direct Charge or Allocation B. Total Expenditures C. Modified Total Cost Basis D. Modified Total Direct Cost Basis E. Salaries and Wages F. Salaries, Wages and Fringe Benefits G. Number of Employees (head count) H. Number of Employees (full-time equivalent basis) I. Number of Students (head count) J. Number of Students (full-time equivalent basis) K. Student Hours-classroom and work performed L. Square Footage M. Usage N. Unit of Product O. Total Production P. More than one base (Separate Cost Groupings)¹ Y. Others¹ Z. Category or Pool not applicable

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¹ List on a continuation sheet, the category and subgrouping(s) of expense involved and the allocation base(s) used.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART III - INDIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
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3.1.0	<p><u>Indirect Cost Categories - Accumulation and Allocation.</u> This item is directed at the identification, accumulation and allocation of all indirect costs of the institution. (Under the column heading, "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each indirect cost category are identified, recorded and accumulated in the institution's formal accounting system. If "No," describe on a continuation sheet, how the cost elements included in the indirect cost category are identified and accumulated. Under the column heading "Allocation Base", enter one of the allocation base codes A through P, Y, or Z, to indicate the basis used for allocating the accumulated costs of each indirect cost category to applicable indirect cost categories, indirect cost pools, other institutional activities, specialized service facilities and other service centers. Under the column heading "Allocation Sequence", insert 1, 2, or 3 next to each of the first three indirect cost categories to indicate the sequence of the allocation process. If cross-allocation techniques are used, insert "CA." If an indirect cost category listed in this section is not used, insert "NA.")</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Indirect Cost Category</u></th> <th style="text-align: center;"><u>Accumulation Method</u></th> <th style="text-align: center;"><u>Allocation Base Code</u></th> <th style="text-align: center;"><u>Allocation Sequence</u></th> </tr> </thead> <tbody> <tr> <td>(a) Depreciation/Use Allowance/Interest</td> <td></td> <td></td> <td style="text-align: center;">__1__</td> </tr> <tr> <td style="padding-left: 20px;">Building</td> <td style="text-align: center;">__Y__</td> <td style="text-align: center;">__L__</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Equipment</td> <td style="text-align: center;">__Y__</td> <td style="text-align: center;">__L__</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Capital Improvements to Land¹</td> <td style="text-align: center;">__Z__</td> <td style="text-align: center;">__Z__</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Interest¹</td> <td style="text-align: center;">__Z__</td> <td style="text-align: center;">__Z__</td> <td></td> </tr> <tr> <td>(b) Operation and Maintenance</td> <td style="text-align: center;">__Y__</td> <td style="text-align: center;">__L__</td> <td style="text-align: center;">__2__</td> </tr> <tr> <td>(c) General Administration and General Expense</td> <td style="text-align: center;">__Y__</td> <td style="text-align: center;">__D__</td> <td style="text-align: center;">__3__</td> </tr> <tr> <td>(d) Departmental Administration</td> <td style="text-align: center;">__N__</td> <td style="text-align: center;">__D__</td> <td></td> </tr> <tr> <td>(e) Sponsored Projects Administration</td> <td style="text-align: center;">__Y__</td> <td style="text-align: center;">__D__</td> <td></td> </tr> <tr> <td>(f) Library</td> <td style="text-align: center;">__Y__</td> <td style="text-align: center;">__H__</td> <td></td> </tr> <tr> <td>(g) Student Administration and Services</td> <td style="text-align: center;">__Y__</td> <td style="text-align: center;">__D__</td> <td></td> </tr> <tr> <td>(h) Other¹</td> <td style="text-align: center;">__Z__</td> <td style="text-align: center;">__Z__</td> <td></td> </tr> </tbody> </table>	<u>Indirect Cost Category</u>	<u>Accumulation Method</u>	<u>Allocation Base Code</u>	<u>Allocation Sequence</u>	(a) Depreciation/Use Allowance/Interest			__1__	Building	__Y__	__L__		Equipment	__Y__	__L__		Capital Improvements to Land ¹	__Z__	__Z__		Interest ¹	__Z__	__Z__		(b) Operation and Maintenance	__Y__	__L__	__2__	(c) General Administration and General Expense	__Y__	__D__	__3__	(d) Departmental Administration	__N__	__D__		(e) Sponsored Projects Administration	__Y__	__D__		(f) Library	__Y__	__H__		(g) Student Administration and Services	__Y__	__D__		(h) Other ¹	__Z__	__Z__	
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¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE																																																						
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3.2.0	<p><u>Service Centers.</u> Service centers are departments or functional units that perform specific technical or administrative services primarily for the benefit of other units within a reporting unit. Service Centers include “recharge centers” and the “specialized service facilities” defined in Section J of Circular A-21. (The codes identified below should be inserted on the appropriate line for each service center listed. The column numbers correspond to the paragraphs listed below that provide the codes. Explain on a Continuation Sheet if any of the services are charged to users on a basis other than usage of the services. Enter “Z” in Column 1, if not applicable.)</p> <table border="0"> <thead> <tr> <th></th> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> <th>(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Scientific Computer Operations</td> <td>_Z_</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> </tr> <tr> <td>(b) Business Data Processing</td> <td>_B_</td> <td>_C_</td> <td>_B_</td> <td>_A_</td> <td>_A_</td> <td>_B_</td> </tr> <tr> <td>(c) Animal Care Facilities</td> <td>_A_</td> <td>_C_</td> <td>_C_</td> <td>_A_</td> <td>_A_</td> <td>_B_</td> </tr> <tr> <td>(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet, if necessary)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Marine Research Vessel</td> <td>_A_</td> <td>_C_</td> <td>_Y_</td> <td>_B_</td> <td>_A_</td> <td>_Y_</td> </tr> <tr> <td>_____</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> </tr> </tbody> </table> <p>(1) <u>Category Code:</u> Use code “A” if the service center costs are billed only as direct costs of final cost objectives; code “B” if billed only to indirect cost categories or indirect cost pools; code “C” if billed to both direct and indirect cost objectives.</p> <p>(2) <u>Burden Code:</u> Code “A” - center receives an allocation of all applicable indirect costs; Code “B” - partial allocation of indirect costs; Code “C” - no allocation of indirect costs.</p> <p>(3) <u>Billing Rate Code:</u> Code “A” - billing rates are based on historical costs; Code “B” - rates are based on projected costs; Code “C” - rates are based on a combination of historical and projected costs; Code “D” - billings are based on the actual costs of the billing period; Code “Y” - other (explain on a Continuation Sheet).</p> <p>(4) <u>User Charges Code:</u> Code “A” - all users are charged at the same billing rates; Code “B” - some users are charged at different rates than other users (explain on a Continuation Sheet).</p> <p>(5) <u>Actual Costs vs. Revenues Code:</u> Code “A” - billings (revenues) are compared to actual costs (expenditures) at least annually; Code “B” - billings are compared to actual costs less frequently than annually.</p> <p>(6) <u>Variance Code:</u> Code “A” - Annual variance between billed and actual cost are prorated to users (as credits or charges); Code “B” - variances are carried forward as adjustments to billing rate of future periods; Code “C” - annual variances are charged or credited to indirect costs; Code “Y” - other (explain on a Continuation Sheet).</p>								(1)	(2)	(3)	(4)	(5)	(6)	(a) Scientific Computer Operations	_Z_	___	___	___	___	___	(b) Business Data Processing	_B_	_C_	_B_	_A_	_A_	_B_	(c) Animal Care Facilities	_A_	_C_	_C_	_A_	_A_	_B_	(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet, if necessary)							Marine Research Vessel	_A_	_C_	_Y_	_B_	_A_	_Y_	_____	___	___	___	___	___	___
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**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
REQUIRED BY PUBLIC LAW 100-679
EDUCATIONAL INSTITUTIONS**

**PART III - INDIRECT COSTS
NAME OF REPORTING UNIT
UNIVERSITY OF DELAWARE**

Item No.	Item Description																																
3.3.0	<p><u>Indirect Cost Pools and Allocation Bases</u></p> <p>(Identify all of the indirect costs pools established for the accumulation of indirect costs, excluding service centers, and the allocation bases used to distribute accumulated indirect costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable indirect cost pools, enter the applicable Allocation Base Code A through P, Y, or Z, to indicate the basis used for allocating accumulated pool costs to Federally sponsored agreements or similar cost objectives.)</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Indirect Cost Pools</u></th> <th style="text-align: right;"><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td colspan="2">A. Instruction</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td><input type="checkbox"/> Other¹</td> <td style="text-align: right;"><input type="checkbox"/> Z</td> </tr> <tr> <td colspan="2">B. Organized Research</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Agriculture</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Agriculture – Off Campus</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td colspan="2">C. Other Sponsored Activities</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: right;"><input type="checkbox"/> D</td> </tr> <tr> <td><input type="checkbox"/> Other¹</td> <td style="text-align: right;"><input type="checkbox"/> Z</td> </tr> <tr> <td colspan="2">D. Other Institutional Activities¹</td> </tr> <tr> <td></td> <td style="text-align: right;"><input type="checkbox"/> Z</td> </tr> </tbody> </table>	<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<input checked="" type="checkbox"/> On-Campus	<input type="checkbox"/> D	<input checked="" type="checkbox"/> Off-Campus	<input type="checkbox"/> D	<input type="checkbox"/> Other ¹	<input type="checkbox"/> Z	B. Organized Research		<input checked="" type="checkbox"/> On-Campus	<input type="checkbox"/> D	<input checked="" type="checkbox"/> Off-Campus	<input type="checkbox"/> D	<input checked="" type="checkbox"/> Agriculture	<input type="checkbox"/> D	<input checked="" type="checkbox"/> Agriculture – Off Campus	<input type="checkbox"/> D	C. Other Sponsored Activities		<input checked="" type="checkbox"/> On-Campus	<input type="checkbox"/> D	<input checked="" type="checkbox"/> Off-Campus	<input type="checkbox"/> D	<input type="checkbox"/> Other ¹	<input type="checkbox"/> Z	D. Other Institutional Activities ¹			<input type="checkbox"/> Z
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3.4.0	<p><u>Composition of Indirect Cost Pools.</u> (For each pool identified under Items 3.1.0 and 3.2.0, describe on a continuation sheet the major organizational components, subgroupings of expenses, and elements of cost included.)</p>																																
3.5.0	<p><u>Composition of Allocation Bases.</u> (For each allocation base code used in Items 3.1.0 and 3.3.0, describe on a continuation sheet the makeup of the base. For example, if a modified total direct cost base is used, specify which of the elements of direct cost identified in Part II, Direct Costs, that are included, e.g., materials, salaries and wages, fringe benefits, travel costs, and excluded, e.g., subcontract costs over first \$25,000. Where applicable, explain if service centers are included or excluded. Specify the benefiting functions and activities included. If any cost objectives are excluded from the allocation base, such cost objectives and the alternate allocation method used should be identified. If an indirect cost allocation is based on Cost Analysis Studies, identify the study, and fully describe the study methods and techniques applied, the composition of the specific allocation base used, and the frequency of each recurring study.)</p>																																

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
REQUIRED BY PUBLIC LAW 100-679
EDUCATIONAL INSTITUTIONS**

**PART III - INDIRECT COSTS
NAME OF REPORTING UNIT
UNIVERSITY OF DELAWARE**

Item No.	Item Description
3.6.0	<p><u>Allocation of Indirect Costs to Programs That Pay Less Than Full Indirect Costs.</u> Are appropriate direct costs of all programs and activities included in the indirect cost allocation bases, regardless of whether allocable indirect costs are fully reimbursed by the sponsoring organizations?</p> <p>A. <input checked="" type="checkbox"/> Yes</p> <p>B. <input type="checkbox"/> No¹</p>

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part III – Indirect Costs
		NAME OF REPORTING UNIT University of Delaware
Item No.	Item Description	
3.1.0	<p><u>Indirect Cost Categories - Accumulation and Allocation</u></p> <p>Costs are accumulated by cost center in the accounting system. Normally F&A costs are coded in accordance with the definitions set forth in OMB Circular A-21. Accounts that do not meet the criteria of allowability or allocability to federal agreements are set aside into a separate category. Subsequently, those accounts deemed to be in accordance with A-21 are screened to determine if any costs may not be considered unallocable to federal projects. If any costs are so identified, they are reclassified to an unallowable category. Unallowable costs are never allocated to federal projects. See item number 3.4.0.F for discussion on departmental administration cost.</p>	
3.2.0	<p><u>Service Centers</u></p> <p>The University has multiple recharge centers, but the most of these centers are small and/or generate insignificant charges to Federally sponsored programs. Excluding the direct costs of postage, telephone service, and the University Research Vessel, direct charges of all service centers to Federal programs combined were less than \$500,000. Of this amount \$162,000 represented the resale of inventory through the University’s Chemistry stores.</p> <p>All recharge (service) centers are billed at cost, with rates reviewed annually to adjust for over/under charges from prior periods. It is the University’s policy to not burden the charge rates for space or indirect cost.</p> <p>Historically, the University’s animal care service has been a highly subsidized operation. Reorganized within the past year, the service is moving toward a total cost charge. It may take several years to reach that point. The costing methods are as noted in the response, but prices are being increased slowly to allow units to adjust to the increased cost. Therefore, while the variance is expected to be an under-recovery of costs for the next few years, not all of the variance will be added to the rates for the ensuing period. The overall budget for the animal care service is currently \$160,000. In the current year, of the less than \$100,000 expected recovery, about 40% is expected as charges to Federally sponsored projects.</p> <p>The University operates a marine research vessel in cooperation with the National Science Foundation (NSF). Charges for daily operation are negotiated annually with the NSF. The charges reflect NSF subsidies of the vessel. Such cruises may be charged to a specific NSF grant for ship support rather than to specific research awards. By negotiation, vessel charges (which exceed \$5,000 per day) are excluded from the MTDC research base. NSF first decides what research grants to award, then based on days needed for each vessel, turns to the vessel owner’s proposal and negotiates daily rates. Information submitted in the proposal includes crew costs, fuel and maintenance costs, depreciation, and expected total days of use per year. One person at the NSF negotiates the rates with owners (in the University’s case with the Director of Marine Operations) annually and an award for support is made based on that rate. Charges are made to the NSF and ONR awards based on cruise days. ONR accepts NSF negotiated rates for their awards. The current daily rate is \$5,246 per day bare ship cost plus \$866 per day for technical support.</p> <p>Mail and telephone charges are a direct pass through of billed costs. Chemical stores include a surcharge above cost to cover the actual expense of the personnel operating the storeroom. The charge does not include any additional administrative allocation.</p> <p>Central scientific computing services that were direct charged were under \$1,000.</p>	

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3.3.0	<p>Business data processing costs are allocated to business units in three ways. The University’s mainframe computer is shared with the program (academic) users, although academic users also have access to several other dedicated machines. The full cost of central University computing, minus the cost of the Administrative Systems office (programming and design), are allocated to the mainframes and subsequently allocated to users on the basis of CPU usage on the various machines. Administrative Systems Office costs are allocated on the basis of time spent by the staff of the office for various projects (e.g., Payroll, Student Records, etc.). Finally, the costs of desktop computing are directly charged to the administrative office benefiting from the hardware or software purchased.</p> <p><u>Indirect cost pools and Allocation Bases</u></p> <p>The University of Delaware computes eight different indirect rates with the cognizant agency for use on federal contracts and grants. Each of the eight rates use Modified Total Direct Cost (MTDC) as the distribution base. Each of these rates use a separate activity base amount in calculating the percentage. Four of the eight rates represent off-campus (site) rates.</p>		
3.4.0	<p><u>Composition of Indirect Cost Pools</u></p> <p>The University uses the traditional higher education functions for coding within the chart of accounts to identify the activities for most cost pools and allocation bases. The pools for Operations and maintenance. General Administration, Sponsored Projects, Library, and Student Services are coded by function and the primary report for identifying these cost is the University Statement of Expenses by Natural Classification which originates with a report from the general ledger system (the “890 report”) that lists all operating codes by function, by unit with the underlying details. Departmental and Deans Administration are an exception to this coding, in that both are coded as part of the Instruction function (an allocation base). Dean’s administration is reclassified in the indirect cost proposal by specific account code(s) that are applicable. Departmental administration is handled as discussed in 3.4.0.F below.</p>		
3.4.0.A	<p><u>Building Depreciation Cost Pool</u></p> <p>The depreciation expenses under this heading are recorded in the University’s facilities system records. Space utilization is recorded in this system and is reported out through the use of an ad hoc reporting tool (Super Natural or MSAccess). The categorization between federal and non-federal is maintained in separate work papers. The components and useful lives are all in compliance with those recommended by GAAP. The depreciation method is straight-line. Federal sources are eliminated in accordance with A-21 Regulations. This method is a change from previous submitted indirect cost proposals which utilized the use-allowance method.</p> <p>This cost pool is allocated by building in accordance with the functional distribution of the assignable net square feet.</p>		
3.4.0.B	<p><u>Interest Cost</u></p> <p>The University does not allocate interest costs to sponsored agreements, either direct or indirect.</p>		

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part III – Indirect Costs
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3.4.0.C	<p><u>Equipment Depreciation Cost Pool</u></p> <p>The expenses under this heading include only depreciation expense. The acquisition costs of equipment are recorded in the University’s accounting system. A detailed inventory of all equipment is maintained in the University’s Property Records system. Each piece of equipment, acquired through either federal or non-federal funds, is assigned a specific inventory number. Along with this number is included a description of the equipment, acquisition date, cost by source, useful life and category of equipment, which in turn determines the allowable useful life for depreciation. The depreciation method is straight line. Federal sources are eliminated in accordance with A-21 regulations.</p> <p>This cost pool is distributed to direct objectives and indirect cost functions by building in accordance with the functional distribution of assignable net square feet.</p>	
3.4.0D	<p><u>Operations and Maintenance Pool Costs (O&M)</u></p> <p>The expenses within this category are the following components:</p> <ul style="list-style-type: none"> Administration and Supervision Building Services Repairs and Maintenance Center Plant Operations (includes Utilities) Grounds and Movers Services Facilities, Planning and Construction Small Renovation Projects <p>The expenses under this heading are those that have been incurred for the administration, supervision, operation, maintenance, preservation and protection of the facilities. Costs include salaries and wages, travel, supplies, and allocations of facilities and administrative costs. Normally they include expenses incurred for such items as janitorial and utility services, repairs and ordinary or normal alterations of buildings, care of grounds, maintenance and operations of buildings, security of plant facilities and other supporting expenses. This category also includes equitable step-down allocations of building and equipment depreciation expenses.</p> <p>The formulation of the O&M pool is based on expenses recorded in the general ledger of the University and its ancillary O&M cost subsystems. Functional and unit coding within the chart of accounts are used to identify O & M costs. Function 71 is currently assigned to this cost pool. University accounting guidelines treat security costs as costs of general administration in the financial statements. The costs of the security unit are reclassified to O & M in compliance with OMB A-21. Maintenance projects that were originally coded to a capita code, but whose cost ultimately failed to meet the University capitalization criteria are also reclassified as O & M.</p> <p>The O & M costs incurred by auxiliary facilities are treated as a separate O & M pool since the central maintenance unit charges costs for services rendered to auxiliaries, and auxiliaries incur certain O & M expenses directly. Related square footage for auxiliaries is separately identified in the facilities inventory of space.</p> <p>Costs from the O&M cost pool including building and equipment depreciation expenses are allocated to direct and indirect cost objectives by building based on the functional distribution of the building assignable net square footage.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part III – Indirect Costs
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3.4.0.E	<p><u>General and Administrative Expenses (G&A)</u></p> <p>The expenses under this heading are those that have been incurred for the general executive and administrative office as well as other expenses of a general nature which do not relate to any particular major function of the University. Expenses in this category include salaries and wages, travel, supplies, externally supplied services (eg audit costs), general insurance, and allocations for depreciation and maintenance as part of the step down procedure per OMB A-21.</p> <p>Included within this category are the following components:</p> <ul style="list-style-type: none"> President’s Office Vice Presidents’ Offices General Accounting Payroll and Accounts Payable Risk Management Internal Audit and Outside Costs of Audit Employee Services Labor Relations Campus Mail and Telephone Services Archivist Purchasing 	
3.4.0.F	<p><u>Departmental Administrative (DA)</u></p> <p>Costs include salaries and wages, travel, supplies, and allocations of facilities and administrative costs. The expenses under this heading are comprised of expenses incurred by academic units that benefit more than a single function. Academic units include the deans’ offices, departmental offices and specialized units.</p> <p>Department Administration costs are identified on a department by department basis. These costs are then augmented by a prorated share of administrative costs that are allocated down from the related deans’ offices.</p> <p>The DA cost pool consists of three components: faculty and administrative staff subject to the 3.6% allowance, technical and administrative staff not subject to the 3.6% allowance and other departmental expenses.</p> <p>The University has negotiated a fixed rate with the cognizant agency for all departmental DA. Deans’ offices are calculated separately. The costs include all professional and technical salary costs not subject to the 3.6% and all related other departmental expenses. Currently, this rate is 6.0% of MTDC.</p> <p>The DA of each academic department, including the department’s share of the deans’ offices is allocated to the appropriate benefiting functions of the department on a MTDC base.</p>	
3.4.0.G	<p><u>Library Cost Pool</u></p> <p>The Library Cost Pool consists of the University’s main library and four satellite libraries located in units that have significant sponsored agreements. Costs include salaries and wages, travel, supplies, the costs of library materials purchased, and allocations of facilities and administrative costs.</p>	

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3.4.0.H	<p>Library costs are allocated to benefiting cost objectives using a special study of library users. Users are surveyed during random weeks throughout the year as to book usage and library visits. Such users are categorized in accordance with the definitions in OMB Circular A-21. A weighted average of the population is developed to allocate library costs. Student usage is allocated to the instruction function in accordance with A-21, while employee usage is allocated to the benefiting cost objections on the basis of salaries and wages.</p> <p><u>Sponsored Projects Administration</u></p> <p>The Sponsored Projects Administration consists of the costs of the Office of the Vice Provost for Research. Specifically excluded from the allocated costs of this office are the personnel involved with general patent and royalty issues. Expenses include salaries and wages, travel, supplies, and allocations of depreciation and maintenance as per OMB A-21.</p> <p>This cost pool is allocated to all sponsored projects in the University, both research, instruction, and other sponsored activities on an MTDC basis.</p>	
3.4.0.I	<p><u>Student Administration Services</u></p> <p>The expenses in this cost pool are comprised of the Vice President for Student Life, and include the Dean of Students, Admissions, Financial Aid, Registrar (Records), Residence Life and related smaller offices whose sole or primary function relates to undergraduate education. Expenses include salaries and wages, travel, supplies, and depreciation and maintenance of equipment and space.</p> <p>This cost pool is allocated solely to the Instruction function. There is no allocation of this cost pool to organized research.</p>	
3.5.0	<p><u>Composition of Allocation Bases</u></p> <p>Modified total direct cost (MTDC) consists of salaries and wages, fringe benefits, materials and supplies, services, travel, subgrants and subcontracts up to \$25,000 regardless of the period and other direct costs which are attributable to a specific cost objective. Equipment, capital expenditures in excess of \$4,999, rental costs, scholarships and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000, and research vessel charges are excluded from the MTDC base. Service center charges are included in the materials and supplies category as part of the base. The operation of the service center is not a part of the allocation base. Total University expenses less financial aid, less indirect cost pool components specified in 3.4, and less MTDC exclusions above, are included in the MTDC allocation base.</p> <p>The allocation bases are Instruction (including Departmental Research), Organized Research (with Agriculture research as a separate base), Other Sponsored Programs (Primarily public service activities), Other Institutional Activities, and Auxiliary Enterprises, along with the off campus subset of rates for Instruction, Research, Agriculture Research and Other Sponsored Programs. Rates are not proposed for Other Institutional Activities or Auxiliary units since neither base includes external activities.</p> <p>Allocation bases are identified by function codes as seen in the financial statements Statement of Expenses by Natural Classification with details in the “890 report” referred to in 3.4.0. Some reclassifications are necessary where activities within a function are classed as part of General Administration pool by GAAP, but are considered to be part of the Other Activities allocation base by A-21. Examples of this include the Alumni Office, the Development Office and the Investment Office. Such activities are identified by unit code.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part III – Indirect Costs
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	<p>Assignable Net Square Footage</p> <p>This represents the assignable net square footage of each room. The total assignable net square footage of a building is the sum of all assignable net square feet from all rooms in each particular building.</p> <p>Salaries and Wages</p> <p>This represents all salaries and wages associated with a given function such as Organized Research. All salaries and wages can be extracted from the general ledger system. This base is used in the allocation of the library cost pool.</p> <p><u>Student Full-Time Equivalent</u></p> <p>A graduate student has an FTE equal to one if the student has completed at least nine units of course work for each semester. An undergraduate student must have completed twelve units.</p>	
	End of Part III	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART IV - DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
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Item No.	Item Description																																																						
4.1.0	<p>Part IV</p> <p><u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For each asset category listed below, enter a code from A through C in Column (1) describing the method of depreciation; a code from A through D in Column (2) describing the basis for determining useful life; a code from A through C in Column (3) describing how depreciation methods or use allowances are applied to property units; and Code A or B in Column (4) indicating whether or not the estimated residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column (1) only, if an asset category is not applicable)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 45%;"></th> <th style="width: 10%; text-align: center;">Depreciation Method (1)</th> <th style="width: 10%; text-align: center;">Useful Life (2)</th> <th style="width: 10%; text-align: center;">Property Unit (3)</th> <th style="width: 10%; text-align: center;">Residual Value (4)</th> </tr> </thead> <tbody> <tr> <td>(a) Land Improvements</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_C_</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_B_</td> </tr> <tr> <td>(b) Buildings</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_C_</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_B_</td> </tr> <tr> <td>(c) Building Improvements</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_C_</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_B_</td> </tr> <tr> <td>(d) Leasehold Improvements</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_C_</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_B_</td> </tr> <tr> <td>(e) Equipment</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_C_</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_B_</td> </tr> <tr> <td>(f) Furniture and Fixtures</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_Y_</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_B_</td> </tr> <tr> <td>(g) Automobiles and Trucks</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_C_</td> <td style="text-align: center;">_A_</td> <td style="text-align: center;">_B_</td> </tr> <tr> <td>(g) Tools</td> <td style="text-align: center;">_Z_</td> <td style="text-align: center;">_</td> <td style="text-align: center;">_</td> <td style="text-align: center;">_</td> </tr> <tr> <td>(i) Enter Code Y on this line</td> <td style="text-align: center;">_Z_</td> <td style="text-align: center;">_</td> <td style="text-align: center;">_</td> <td style="text-align: center;">_</td> </tr> </tbody> </table> <p style="margin-left: 40px;">if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Column (1) - Depreciation Method Code</u></p> <p>A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method¹</p> <p>Budget</p> </td> <td style="width: 50%; vertical-align: top;"> <p><u>Column (2) - Useful Life Code</u></p> <p>A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Circular No. A-21 Y. Other or more than one method¹</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p><u>Column (3) - Property Unit Code</u></p> <p>A. Individual units are accounted for separately B. Applied to groups of assets with similar service lines C. Applied to groups of assets with varying service lives Y. Other or more than one method¹</p> </td> <td style="vertical-align: top;"> <p><u>Column (4) - Residual Value Code</u></p> <p>A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method¹</p> </td> </tr> </table>		Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)	(a) Land Improvements	_A_	_C_	_A_	_B_	(b) Buildings	_A_	_C_	_A_	_B_	(c) Building Improvements	_A_	_C_	_A_	_B_	(d) Leasehold Improvements	_A_	_C_	_A_	_B_	(e) Equipment	_A_	_C_	_A_	_B_	(f) Furniture and Fixtures	_A_	_Y_	_A_	_B_	(g) Automobiles and Trucks	_A_	_C_	_A_	_B_	(g) Tools	_Z_	_	_	_	(i) Enter Code Y on this line	_Z_	_	_	_	<p><u>Column (1) - Depreciation Method Code</u></p> <p>A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method¹</p> <p>Budget</p>	<p><u>Column (2) - Useful Life Code</u></p> <p>A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Circular No. A-21 Y. Other or more than one method¹</p>	<p><u>Column (3) - Property Unit Code</u></p> <p>A. 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(g) Automobiles and Trucks	_A_	_C_	_A_	_B_																																																			
(g) Tools	_Z_	_	_	_																																																			
(i) Enter Code Y on this line	_Z_	_	_	_																																																			
<p><u>Column (1) - Depreciation Method Code</u></p> <p>A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method¹</p> <p>Budget</p>	<p><u>Column (2) - Useful Life Code</u></p> <p>A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Circular No. A-21 Y. Other or more than one method¹</p>																																																						
<p><u>Column (3) - Property Unit Code</u></p> <p>A. Individual units are accounted for separately B. Applied to groups of assets with similar service lines C. Applied to groups of assets with varying service lives Y. Other or more than one method¹</p>	<p><u>Column (4) - Residual Value Code</u></p> <p>A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method¹</p>																																																						

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART IV - DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
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Item No.	Item Description
4.1.1	<p><u>Asset Valuations and Useful Lives.</u> Are the asset valuations and useful lives used in your indirect cost proposal consistent with those used in the institution's financial statements? (Mark one.)</p> <p>A. <input checked="" type="checkbox"/> Yes B. <input type="checkbox"/> No¹</p>
4.2.0	<p><u>Fully Depreciated Assets.</u> Is a usage charge for fully depreciated assets charged to Federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Yes B. <input checked="" type="checkbox"/> No</p>
4.3.0	<p><u>Treatment of Gains and Losses on Disposition of Depreciable Property.</u> Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Excluded from determination of sponsored agreements costs B. <input checked="" type="checkbox"/> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged C. <input checked="" type="checkbox"/> Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved D. <input type="checkbox"/> Not accounted for separately, but reflected in the depreciation reserve account Y. <input type="checkbox"/> Others¹ Z. <input type="checkbox"/> Not applicable</p>
4.4.0	<p><u>Criteria for Capitalization.</u> (Enter (a) the minimum dollar amount of expenditures which are capitalized for acquisition, addition, alteration, donation and improvement of capital assets, and (b) the minimum number of expected life years of assets which are capitalized. If more than one dollar amount or number applies, show the information for the majority of your capitalized assets, and enumerate on a continuation sheet the dollar amounts and/or number of years for each category or subcategory of assets involved which differs from those for the majority of assets.)</p> <p>A. Minimum Dollar Amount 5,000 B. Minimum Life Years 2</p>
4.5.0	<p><u>Group or Mass Purchase.</u> Are group or mass purchases (initial complement) of similar items, which individually are less than the capitalization amount indicated above, capitalized? (Mark one.)</p> <p>A. <input type="checkbox"/> Yes¹ B. <input checked="" type="checkbox"/> No</p>

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET Part IV – Depreciation and Use Allowances									
		NAME OF REPORTING UNIT University of Delaware									
Item No.	Item Description										
4.1.0	<p><u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u></p> <p>(F) Furniture and Fixtures – Furniture costing less than \$5,000 is treated as supplies and expensed. Furniture costing \$5,000 or more is treated as equipment and capitalized separately. Furniture costing less than \$5,000 and purchased at initial construction of a building is capitalized as part of the building.</p> <p>Fixtures to buildings are treated as building components and are capitalized as part of the building. Building components include those items that are necessary for the operation of the building regardless of its use, and where removal would involve costly or extensive alterations or repairs to the building. Included in this component category would be the plumbing system, heating system, central air conditioning system, electrical services, standard room lighting fixtures, fire alarm, and duct work for exhaust systems.</p> <p>Treatment of Gains and Losses on Disposition of Depreciable Property</p>										
4.3.0	<p>If there is a trade-in, the University takes the gain or loss into consideration in the depreciation cost basis of the new items. If there is no trade-in, the gain or loss is taken into consideration as a credit to the depreciation pool.</p> <p>Criteria for Capitalization</p>										
4.4.0	<p>The University’s threshold for the capitalization of equipment has been raised from \$500 to \$5,000 effective July 1, 1996. However, for indirect cost purposes the University negotiated a new facilities and administrative cost rate agreement with its cognizant agency, the Department of Health and Human Services dated September 6, 1996. The new rate agreement reflects a change to the University’s equipment capitalization policy from \$500 to \$5,000, starting July 1, 1997.</p> <p>The criteria for recording capital assets in the University’s financial statements is as follows:</p> <p>Land is recorded at cost or appraised value at time of receipt if contributed. Buildings are recorded at cost of initial construction. Cost of major renovations and additions to buildings that are in excess of \$100,000 or 20% of the existing building cost basis, whichever is the lesser amount, are capitalized when such additions and renovations add to the usefulness, efficiency, or life of a building. Cost of equipment in excess of \$5,000 with a useful life expectancy of two or more years are capitalized.</p> <p>The University uses the straight-line method of depreciation for its plant assets based upon the following estimated useful lives:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Estimated Lives <u>(Years)</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">Land improvements</td> <td style="text-align: center;">15</td> </tr> <tr> <td style="text-align: right;">Buildings</td> <td style="text-align: center;">40</td> </tr> <tr> <td style="text-align: right;">Equipment and furnishings</td> <td style="text-align: center;">5-20</td> </tr> </tbody> </table>				Estimated Lives <u>(Years)</u>	Land improvements	15	Buildings	40	Equipment and furnishings	5-20
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Land improvements	15										
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End of Part IV											

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART V - OTHER COSTS AND CREDITS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
Item No.	Item Description	
	Part V	
5.1.0	<p><u>Method of Charging Leave Costs.</u> Do you charge vacation, sick, holiday and sabbatical leave costs to sponsored agreements on the cash basis of accounting (i.e., when the leave is taken or paid), or on the accrual basis of accounting (when the leave is earned)? (Mark applicable line(s))</p> <p>A. <input checked="" type="checkbox"/> Cash</p> <p>B. <input type="checkbox"/> Accrual¹</p>	
5.2.0	<p><u>Applicable Credits.</u> This item is directed at the treatment of "applicable credits" as defined in Section C of Circular A-21 and other incidental receipts (e.g., purchase discounts, insurance refunds, library fees and fines, parking fees, etc.). (Indicate how the principal types of credits and incidental receipts the institution receives are usually handled.)</p> <p>A. <input checked="" type="checkbox"/> The credits/receipts are offset against the specific direct or indirect costs to which they relate.</p> <p>B. <input type="checkbox"/> The credits/receipts are handled as a general adjustment to the indirect pool.</p> <p>C. <input type="checkbox"/> The credits/receipts are treated as income and are not offset against costs.</p> <p>D. <input type="checkbox"/> Combination of methods¹</p> <p>Y. <input type="checkbox"/> Other¹</p>	

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

<p align="center">COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>	<p align="center">PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE</p>								
Item No.	Item Description								
	<p align="center">Instructions for Part VI</p> <p>This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits) and insurance. Some organizations may incur all of these costs at the main campus level or for public institutions at the governmental unit level, while others may incur them at subordinate organization levels. Still others may incur a portion of these costs at the main campus level and the balance at subordinate organization levels.</p> <p>Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to Federally sponsored agreements are material, the reporting unit should require that entity to complete the applicable portions of this Part IV. (See item 4, page (i), General Instructions)</p> <p>6.1.0 <u>Pension Plans.</u></p> <p>6.1.1 <u>Defined-Contribution Pension Plans.</u> Identify the types and number of pension plans whose costs are charged to Federally sponsored agreements. (Mark applicable line(s) and enter number of plans.)</p> <table border="0" data-bbox="324 924 1380 1302"> <thead> <tr> <th align="left"><u>Type of Plan</u></th> <th align="right"><u>Number of Plans</u></th> </tr> </thead> <tbody> <tr> <td>A. ___ Institution employees participate in State/Local Government Retirement Plan(s)</td> <td align="right">_____</td> </tr> <tr> <td>B. <u> X </u> Institution uses TIAA-CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution</td> <td align="right">_____1_____ 403.B</td> </tr> <tr> <td>C. ___ Institution has its own Defined-Contribution Plan(s)</td> <td align="right">_____</td> </tr> </tbody> </table> <p>6.1.2 <u>Defined-Benefit Pension Plan.</u> (For each defined-benefit plan (other than plans that are part of a State or Local government pension plan) describe on a continuation sheet the actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)</p> <p>See continuation sheet.</p> <p>6.2.0 <u>Post Retirement Benefits Other Than Pensions (including post retirement health care benefits)(PRBs).</u> (Identify on a continuation sheet all PRB plans whose costs are charged to Federally sponsored agreements. For each plan listed, state the plan name and indicate the approximate number and type of employees covered by each plan.)</p> <p>Z. [] Not Applicable</p>	<u>Type of Plan</u>	<u>Number of Plans</u>	A. ___ Institution employees participate in State/Local Government Retirement Plan(s)	_____	B. <u> X </u> Institution uses TIAA-CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	_____1_____ 403.B	C. ___ Institution has its own Defined-Contribution Plan(s)	_____
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FORM CASB DS-2 (REV 10/94)

Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE	
Item No.	Item Description		
6.2.1	<u>Determination of Annual PRB Costs.</u> (On a continuation sheet, indicate whether PRB costs charged to Federally sponsored agreements are determined on the cash or accrual basis of accounting. If costs are accrued, describe the accounting practices uses, including actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)		
6.3.0	<u>Self-Insurance Programs (Employee Group Insurance).</u> Costs of the self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.) A. <input type="checkbox"/> When accrued (book accrual only) B. <input type="checkbox"/> When contributions are made to a nonforfeitable fund C. <input type="checkbox"/> When contributions are made to a forfeitable fund D. <input type="checkbox"/> When the benefits are paid to employee E. <input type="checkbox"/> When amounts are paid to an employee welfare plan Y. <input type="checkbox"/> Other or more than one method Z. <input checked="" type="checkbox"/> Not Applicable		
6.4.0	<u>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance.)</u>		
6.4.1	<u>Worker's Compensation and Liability.</u> Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.) A. <input type="checkbox"/> When claims are paid or losses are incurred (no provision for reserves) B. <input type="checkbox"/> When provisions for reserves are recorded based on the present value of the liability C. <input type="checkbox"/> When provisions for reserves are recorded based on the full or undiscounted value, as contrasted with present value, of the liability D. <input type="checkbox"/> When funds are set aside or contributions are made to a fund Y. <input type="checkbox"/> Other or more than one method ¹ Z. <input checked="" type="checkbox"/> Not Applicable		
6.4.2	<u>Casualty Insurance.</u> Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.) A. <input checked="" type="checkbox"/> When losses are incurred (no provision for reserves) B. <input type="checkbox"/> When provisions for reserves are recorded based on replacement costs C. <input type="checkbox"/> When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles. D. <input type="checkbox"/> Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves) Y. <input type="checkbox"/> Other or more than one method ¹ Z. <input type="checkbox"/> Not Applicable		

FORM CASB DS-2 (REV 10/94)

Describe on a Continuation Sheet.

<p align="center">COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>		<p align="center">CONTINUATION SHEET Part VI – Deferred Compensation and Insurance Costs</p>
		<p align="center">NAME OF REPORTING UNIT University of Delaware</p>
<p align="center">Item No.</p>	<p align="center">Item Description</p>	
<p>6.1.1</p>	<p><u>Defined-Contribution Pension Plans</u></p> <p>The University’s faculty and professional staff participate in TIAA-CREF and /or Fidelity 403(B), which is mandatory after age 35. Approximately 30 employees in the faculty/professional category are grandfathered in the State of Delaware Defined-Benefit Pension Plan described in 6.1.2.below.</p>	
<p>6.1.2</p>	<p><u>Defined-Benefit Pension Plan</u></p> <p>All permanent full and part-time (50% or greater) non-exempt employees are required to participate in the State of Delaware pension program. Contribution rates are set annually by the State of Delaware.</p>	
<p>6.2.0</p>	<p><u>Post Retirement Benefits Other Than Pensions</u></p> <p>Health care coverage for retirees is provided through the State of Delaware Health Care Plan. Retirees under the State of Delaware Retirement Plan have the benefit covered by the State of Delaware. This funded program is factored into the pension contribution rate set annually by the State of Delaware as described in 6.1.2 above. The University covers all faculty and professional retirees covered by the Defined-Contribution Pension Plan (TIAA-CREF or Fidelity) for health care on a cash basis. The premiums are included as a health care component of the benefit rate. University coverage is for approximately 200 retirees and spouses, and will cover the approximately 2100 active exempt employees.</p> <p>Additionally, the University provides a \$5,000 death benefit to retirees entering retirement after 1994 and Delaware Blood Bank coverage. These benefits are only available to faculty and professional employees, with the State of Delaware providing alternative benefits to retirees under their plan. The cost of these benefits has been insignificant to date.</p>	
<p>6.2.1</p>	<p><u>Determination of Annual PRB Costs</u></p> <p>All retiree benefits are charged to the benefit rates on a cash basis, with the exception of the health care funding for non-exempt employees under the State of Delaware Pension program as described above.</p>	
<p>6.4.1</p>	<p><u>Worker’s Compensation and Liability</u></p> <p>The University provides Worker’s Compensation through the State of Delaware’s plan. The University pays a flat fee to the State of Delaware, determined annually by the State based on historical experience.</p> <p>End of Part VI</p>	

<p style="text-align: center;">COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>	<p style="text-align: center;">PART VII - CENTRAL SYSTEM OR GROUP EXPENSES NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE</p>
Item No.	Item Description
<p style="text-align: center;">7.1.0</p> <p style="text-align: center;">7.2.0</p>	<p style="text-align: center;">DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE.</p> <p style="text-align: center;">Instructions for Part VII</p> <p>This part should be completed <u>only</u> by the central system office or a group office of an educational system when that office is responsible for administering two or more segments, where it allocates its costs to such segments and where at least one of the segments is required to file Parts I through VI of the Disclosure Statement.</p> <p>The reporting unit (central system or group office) should disclose how costs of services provided by the reporting unit are, or will be, accumulated and allocated to applicable segments of the institution. For a central system office, disclosure should cover the entire institution. For a group office, disclosure should cover all of the subordinate organizations administered by that group office.</p> <p><u>Organizational Structure.</u> Not Applicable</p> <p>On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.</p> <p><u>Cost Accumulation and Allocation.</u> Not Applicable</p> <p>On a continuation sheet, provide a description of:</p> <ul style="list-style-type: none"> A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc.), in brief. B. How the costs of the services are identified and accumulated. C. The basis used to allocate the accumulated costs to the benefiting segments. D. Any costs that are transferred from a segment <u>to</u> the central system office or the intermediate administrative office, and which are reallocated to another segment(s). If none, so state. E. Any fixed management fees that are charged to a segment(s) in lieu of a prorate or allocation basis and the basis of such charges. If none, so state.

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