

**COST ACCOUNTING STANDARDS BOARD  
DISCLOSURE STATEMENT FOR THE  
UNIVERSITY OF NORTH DAKOTA  
CASB DS-2**

Revision #1  
Effective September 30, 2006  
Submitted November

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KEY TO CHANGES

<u>Date of Change</u>	<u>Clarification</u>	<u>Revision</u>	<u>Correction</u>	<u>Addition</u>	<u>Deletion</u>
9/30/2006	#1	*1	+1	“1	^1

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

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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 Part 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 of 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.


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.



CERTIFICATION

I certify that to the best of my knowledge and belief this Statement, as amended in the case of a Revision, is the complete and accurate disclosure as of the date of certification shown below by the above-named organization of its cost accounting practices, as required by the Disclosure Regulations (48 CFR 9903.202) of the Cost Accounting Standards Board under 41 U.S.C. § 422.

Date of Certification: 11/6/06

  
(Signature)

Alice C. Brekke  
(Print or Type Name)

Assistant to the President and Director, Budget  
(Title)

THE PENALTY FOR MAKING A FALSE STATEMENT IN THIS DISCLOSURE  
IS PRESCRIBED IN 18 U.S.C. § 1001

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
	Part I
1.1.0  *1	<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. <input type="checkbox"/> Accrual</p> <p>B. <input type="checkbox"/> Modified Accrual Basis <u>1/</u></p> <p>C. <input type="checkbox"/> Cash Basis</p> <p>Y. <input checked="" type="checkbox"/> Other <u>1/</u> <u>C/S</u></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. <input type="checkbox"/> Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts).</p> <p>B. <input type="checkbox"/> 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 <u>C/S</u></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. <input type="checkbox"/> Specifically identified and recorded separately in the formal financial accounting records. <u>1/</u></p> <p>B. <input type="checkbox"/> Identified in separately maintained accounting records or work papers. <u>1/</u></p> <p>C. <input type="checkbox"/> Identifiable through use of less formal accounting techniques that permit audit verification. <u>1/</u></p> <p>D. <input checked="" type="checkbox"/> Combination of A, B or C <u>1/</u> <u>C/S</u></p> <p>E. <input type="checkbox"/> Determinable by other means. <u>1/</u></p> <p><u>1/</u> Describe on a Continuation Sheet.  <u>C/S</u> See Continuation Sheet</p>

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

PART I  
 GENERAL INFORMATION  
 UNIVERSITY OF NORTH DAKOTA

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
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 F &amp; A expense pool, e.g., when allocating costs to a major function or activity; when determining F &amp; A cost rates; or, when a central office or group office allocates costs to a segment). <u>C/S</u></p>
1.4.0	<p><u>Cost Accounting Period:</u> <u>7/1 to 6/30</u> (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).</p>
1.5.0	<p><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. <u>C/S</u></p>
*1	<p><u>C/S</u> See Continuation Sheet</p>



Item No.	Item Description – Revision Number 1, Effective September 30, 2006
1.1.0	<u>Item Description of Cost Accounting System</u>
*1	Salary, wage and fringe benefit costs are charged and billed to sponsored agreements on the cash basis. For financial statement reporting at year end, salaries, wages and the related fringe benefits are accrued. Expenses paid through the accounts payable system are charged to sponsored programs when the invoices are paid. For financial statement reporting at year end, accounts payable are accrued. Facilities and administrative expense (F&A) is recorded on a nightly basis.
1.2.0	<u>Integration of Cost Accounting with Financial Accounting</u>
#1	Cost accounting data is generally integrated into the financial records of the institution, except, for the purposes of calculating F & A cost rates, some funds/projects are split via memorandum records. The F & A cost calculation is prepared in accordance with OMB Circular A-21, Cost Principles for Educational Institutions. The financial records are maintained in accordance with generally accepted accounting principles. Since the A-21 requirements do not always match activity definitions as maintained in the accounting system, an analysis of various costs is necessary to accurately identify expenditures per A-21 definitions. Based on the detailed analysis, costs are then reclassified to fit the A-21 requirements. Documentation of the analysis and reclassification is maintained as part of the F & A cost proposal files.
1.3.0	<u>Item Description: Unallowable Costs</u>
#1	In general, unallowable costs as identified in A-21 and/or grant and contract award documents are recorded in the specific account code for that item. Examples include but are not limited to bad debt expense, entertainment costs and fines and penalties. These represent unallowable costs of an allowable activity.
#1	Other unallowable costs such as personal use of institution furnished automobiles or housing and personal living expenses are not formally documented in the accounting system. These are identified through a review of fund/project title, discussions with knowledgeable personnel and/or detailed transaction review.
#1	Costs related to unallowable activities are also identified through review of the fund/project title, discussions with knowledgeable personnel and/or detailed transaction review. Documentation of information related to unallowable activities is maintained with the institution's F & A cost proposal working papers.

COST ACCOUNTING STANDARDS  
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CONTINUATION SHEET PART I  
GENERAL INFORMATION  
UNIVERSITY OF NORTH DAKOTA

Item No.	Item Description – Revision Number 1, Effective September 30, 2006																								
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	<p>Unallowable costs are identified as described in section 1.3.0. The unallowable costs of all activities are excluded from the F &amp; A cost calculation. The allowable costs of unallowable activities are reclassified from the functional identity used for financial reporting to Other Institutional Activities (unallowables), a direct cost base. Per A-21, these costs thus receive their allocable share of F &amp; A costs.</p>																								
1.5.0	<u>State Laws or Regulations</u>																								
	<p>There are numerous state laws, regulations and policies that influence the University of North Dakota's cost accounting practices such as the state administered retirement plan, procurement policies, travel policies, etc. Some of the North Dakota Century Code (NDCC) laws and policies that influence the institution's cost accounting practices include but are not limited to the following:</p> <table border="0"> <tr> <td>NDCC 15-55-05, and 06</td> <td>Use and Deposits of Bonded Facility Revenues</td> </tr> <tr> <td>NDCC 15-67-01, 04, 05, and 07, 1-08-02, and 04</td> <td>Use and Deposit of Gift Dollars</td> </tr> <tr> <td>NDCC 6-09-07 and 21-04-02</td> <td>Deposit of State Funds</td> </tr> <tr> <td>NDCC 44-08-04 and 05, 15-10-25 and 25.1</td> <td>Travel for State Employees</td> </tr> <tr> <td>NDCC 54-44.1-09 and 54-16-03</td> <td>Expenditure Authorizations and Limits</td> </tr> <tr> <td>NDCC 54-10-01.1</td> <td>Appropriation Transfers</td> </tr> <tr> <td>NDCC 15-55-14</td> <td>Transfers between Institutions</td> </tr> <tr> <td>NDCC 15-10-16</td> <td>Deposits of Specific Income Sources</td> </tr> <tr> <td>NDCC 54-06-09</td> <td>Moving Expense Reimbursements</td> </tr> <tr> <td>NDCC 54-44.4-01</td> <td>Purchasing of Supplies</td> </tr> <tr> <td>NDCC 44-08-01, 54-44.4-05 and 25-16.2-02</td> <td>Bidding Requirements for Purchases</td> </tr> <tr> <td>NDCC 12.1-13-03 and 48-02-12</td> <td>Conflict of Interest</td> </tr> </table> <p>North Dakota State Board of Higher Education Policy Manual North Dakota Office of Management and Budget Policy Manual North Dakota University System (NDUS) Procedures Manual NDUS Human Resource Policy Manual University of North Dakota Accounting Policies and Procedures University of North Dakota Capital Assets Policies and Procedures</p> <p>End of Part I</p>	NDCC 15-55-05, and 06	Use and Deposits of Bonded Facility Revenues	NDCC 15-67-01, 04, 05, and 07, 1-08-02, and 04	Use and Deposit of Gift Dollars	NDCC 6-09-07 and 21-04-02	Deposit of State Funds	NDCC 44-08-04 and 05, 15-10-25 and 25.1	Travel for State Employees	NDCC 54-44.1-09 and 54-16-03	Expenditure Authorizations and Limits	NDCC 54-10-01.1	Appropriation Transfers	NDCC 15-55-14	Transfers between Institutions	NDCC 15-10-16	Deposits of Specific Income Sources	NDCC 54-06-09	Moving Expense Reimbursements	NDCC 54-44.4-01	Purchasing of Supplies	NDCC 44-08-01, 54-44.4-05 and 25-16.2-02	Bidding Requirements for Purchases	NDCC 12.1-13-03 and 48-02-12	Conflict of Interest
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PART II  
DIRECT COSTS UNIVERSITY  
OF NORTH DAKOTA

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
	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 F & A 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 F & A 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 F & A 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). <u>C/S</u>
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 or materials which are charged as direct materials and supplies). <u>C/S</u>
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. <input type="checkbox"/> Actual Invoiced Costs B. <input checked="" type="checkbox"/> Actual Invoiced Costs Net of Discounts Taken Y. <input type="checkbox"/> Other(s) <u>1/</u> Z. <input type="checkbox"/> Not Applicable
2.3.2	Inventory Requisitions from Central or Common, Institution-owned Inventory. (Identify the inventory valuation method used to charge projects): A. <input type="checkbox"/> First In, First Out B. <input type="checkbox"/> Last In, First Out C. <input type="checkbox"/> Average Costs <u>1/</u> D. <input type="checkbox"/> Predetermined Costs <u>1/</u> Y. <input type="checkbox"/> Other(s) <u>1/</u> Z. <input checked="" type="checkbox"/> Not Applicable  <u>1/</u> Describe on a Continuation Sheet. <u>C/S</u> See Continuation Sheet

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PART II  
DIRECT COSTS UNIVERSITY  
OF NORTH DAKOTA

Item No.	Item Description – Revision Number 1, Effective September 30, 2006																																																
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 services costs within each major institutional function or activity that are charged as direct personal services).																																																
2.5.0	<p><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).</p> <table border="0" data-bbox="345 667 1419 1360"> <thead> <tr> <th colspan="2"></th> <th colspan="4" style="text-align: center;"><u>Direct Personal Services Category</u></th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;"><u>Faculty</u></th> <th style="text-align: center;"><u>Staff</u></th> <th style="text-align: center;"><u>Students</u></th> <th style="text-align: center;"><u>Other 1/</u></th> </tr> <tr> <th colspan="2"></th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">A.</td> <td>Payroll Distribution Method (Individual time card/actual hours and rates)</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> </tr> <tr> <td style="vertical-align: top;">B.</td> <td>Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> </tr> <tr> <td style="vertical-align: top;">C.</td> <td>After-the-fact Activity Records (Percentage Distribution of employee activity) <u>C/S</u></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> <td style="text-align: center;">___</td> </tr> <tr> <td style="vertical-align: top;">D.</td> <td>Multiple Confirmation Records (Employee Reports prepared each academic term, to account for employee's activities, direct and F &amp; A charges are certified separately).</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> </tr> <tr> <td style="vertical-align: top;">Y.</td> <td>Other(s) <u>1/</u></td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> <td style="text-align: center;">___</td> </tr> </tbody> </table>			<u>Direct Personal Services Category</u>						<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other 1/</u>			(1)	(2)	(3)	(4)	A.	Payroll Distribution Method (Individual time card/actual hours and rates)	___	___	___	___	B.	Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)	___	___	___	___	C.	After-the-fact Activity Records (Percentage Distribution of employee activity) <u>C/S</u>	<u>X</u>	<u>X</u>	<u>X</u>	___	D.	Multiple Confirmation Records (Employee Reports prepared each academic term, to account for employee's activities, direct and F & A charges are certified separately).	___	___	___	___	Y.	Other(s) <u>1/</u>	___	___	___	___
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2.5.1	<u>Salary and Wage Cost Distribution Systems</u>																																																
	<p>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 F &amp; A cost objectives).</p> <p><u>X</u> Yes ___ No</p> <p><u>1/</u> Describe on a Continuation Sheet. <u>C/S</u> See Continuation Sheet</p>																																																

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
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 F & A activities. Indicate how the salary and wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records). <u>C/S</u>
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.). <u>C/S</u>
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). <u>C/S</u>
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.). <u>C/S</u>  <u>C/S</u> See Continuation Sheet

Item No.	Item Description – Revision Number 1, Effective September 30, 2006																														
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 F &amp; A costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, F &amp; A 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><u>  X  </u> Yes  <u>    </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: 5%;"></th> <th style="width: 45%;"></th> <th style="width: 10%; text-align: center; font-size: small;">Materials (1)</th> <th style="width: 10%; text-align: center; font-size: small;">Supplies (2)</th> <th style="width: 10%; text-align: center; font-size: small;">Services (3)</th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>At full cost <u>excluding</u> F &amp; A costs attributable to group or central office expenses.</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> <tr> <td>B.</td> <td>At full cost <u>including</u> F &amp; A costs attributable to group or central office expenses.</td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> </tr> <tr> <td>C.</td> <td>At established catalog or market price or prices based on adequate competition.</td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> </tr> <tr> <td>Y.</td> <td>Other(s) <u>  1/  </u></td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> </tr> <tr> <td>Z.</td> <td>Interorganizational transfers are not applicable</td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> <td style="text-align: center;"><u>    </u></td> </tr> </tbody> </table> <p><u>  1/  </u> Describe on a Continuation Sheet.</p>			Materials (1)	Supplies (2)	Services (3)	A.	At full cost <u>excluding</u> F & A costs attributable to group or central office expenses.	<u>  X  </u>	<u>  X  </u>	<u>  X  </u>	B.	At full cost <u>including</u> F & A costs attributable to group or central office expenses.	<u>    </u>	<u>    </u>	<u>    </u>	C.	At established catalog or market price or prices based on adequate competition.	<u>    </u>	<u>    </u>	<u>    </u>	Y.	Other(s) <u>  1/  </u>	<u>    </u>	<u>    </u>	<u>    </u>	Z.	Interorganizational transfers are not applicable	<u>    </u>	<u>    </u>	<u>    </u>
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Item No.	Item Description – Revision Number 1, Effective September 30, 2006
2.1.0	<u>Criteria for Charging Costs</u>
<p>^1</p> <p>“1</p> <p>“1</p>	<p>Direct costs are charged to sponsored agreements or any other institutional activity when the costs involved are chargeable or assignable based on the relative benefits received or other equitable relationship. Identification with the sponsored work rather than the nature of the goods and services involved is the determining factor in distinguishing direct from F &amp; A costs of sponsored agreements. These costs can be specifically identified to the agreement or any other institutional activity with relative ease and a high degree of accuracy. These costs also meet the allowability criteria as defined in OMB Circular A-21. These costs have not been expressly disallowed in the award budget.</p> <p>Salaries, fringe benefits and operating expenditures are generally direct costs when "but for" the project, the cost would not have been incurred. These costs are charged as F &amp; A when incurred for an F &amp; A function (direct versus F &amp; A costs see part 3.4.0).</p> <p>Similar costs for the same purpose incurred in like circumstances are consistently treated as either direct or F &amp; A costs. Sponsoring agencies do not consistently award specifically identifiable administrative costs thereby creating unlike circumstances. In unlike circumstances, administrative salary and support costs are handled as direct costs. Example of unlike circumstances might include:</p> <ul style="list-style-type: none"> <li>• Projects that involve project specific database management.</li> <li>• Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences. For example, these projects would require specific administrative and clerical staff, as well as specific postage costs.</li> <li>• Projects that include memberships to organizations which provide technical journals and newsletters that are used directly by the research team for development and execution of the project</li> </ul> <p>The salaries of administrative and clerical staff as well as costs of items such as office supplies, postage, local telephone and memberships should normally be treated as F &amp; A costs. The following criteria should be met in order for these costs to be allowed as direct charges to federal funds:</p> <ol style="list-style-type: none"> <li>1. The costs are specifically identified and requested as part of the original/modified budget or accompanying narrative (for example, salaries of individuals involved can be specifically identified with the project or activity); and,</li> <li>2. Sufficient justification is included to demonstrate major project or extraordinary service; and,</li> <li>3. The charges are not specifically disallowed in the resulting award or modification; and,</li> <li>4. If not included in the current award, subsequent explicit approval from the awarding agency has been received.</li> <li>5. Costs that are charged direct will not be charged as F &amp; A in an allocation.</li> </ol> <p>Direct charging of these costs may be accomplished through specific identification of individual costs to benefiting cost objectives, or through recharge centers or specialized service facilities, as appropriate under the circumstances. Reasonable judgment should be used.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006	
2.1.0	<u>Criteria for Charging Costs</u>	
	Costs are treated as stated below regardless of function. Identification with the sponsored work rather than the nature of the goods and services involved is the determining factor in distinguishing direct from F & A costs of sponsored agreements.	
	<b><u>Direct</u></b>	<b><u>F &amp; A (see 3.4.0)</u></b>
	<p>Hazardous Waste Disposal</p> <p>Travel</p> <p>Moving</p> <p>Long Distance Telephone Charges, including faxes and cellular phone roaming</p> <p>Insurance (excess)</p> <p>Data Processing, including software</p> <p>Photocopies and Printing</p> <p>Repairs and Maintenance (related to scientific and technical equipment)</p> <p>Supplies, including project specific noncapitalized equipment and laboratory and project supplies</p> <p>Fees (project-specific)</p> <p>Subcontracts (project-specific)</p> <p>Instructional/Research (project-specific)</p> <p>Scholarships and Fellowships (project-specific)</p> <p>Plant Acquisitions (project-specific)</p> <p>Freight</p> <p>Capitalized Equipment (project-specific)</p> <p>Other: Costs normally charged F &amp; A are charged direct when: They can be specifically identified with a particular sponsored project or other direct cost objective with a high degree of accuracy. Size, nature, and complexity of the activity goes well beyond the normal departmental support.</p> <p>Costs listed as "F &amp; A" are charged directly to the sponsored agreement when approved by the sponsor.</p>	<p>Utilities</p> <p>Postage</p> <p>Insurance</p> <p>Rents and Leases</p> <p>Memberships and Subscriptions</p> <p>Repairs and Maintenance of the Buildings/Grounds and General Purpose Office Equipment</p> <p>Office Supplies</p> <p>Telephone (monthly service charges, including cellular phones and pagers, installation, and maintenance)</p> <p>Instructional/Research (F &amp; A functions)</p> <p>Capitalized Equipment (related depreciation)</p> <p>Building Depreciation</p> <p>Interest (per OMB Circular A-21)</p> <p>Licenses and Taxes</p> <p>Other: Costs listed as "Direct" are charged F &amp; A when they are for general institutional purposes and support joint common objectives.</p>



Item No.	Item Description – Revision Number 1, Effective September 30, 2006
2.2.0	<u>Description of Direct Materials</u>
	<p>The principal classes of materials that are charged directly to federally sponsored programs and all other direct cost objectives include supplies such as but not limited to chemicals, gases, glassware, other miscellaneous lab supplies, clothing and uniforms, office supplies and reference materials, expendable equipment, and other materials and supplies when directly related to a specific project (see narrative under Section 2.1.0).</p>
2.4.0	<u>Description of Personal Services</u>
	<p>Two categories of people provide personal services at the University of North Dakota:</p> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Consultants (Consultants are normally paid through accounts payable and are covered under Item 2.7.0).</li> </ul> <p>Employees are grouped into two major classifications:</p> <ul style="list-style-type: none"> <li>• Faculty</li> <li>• Staff/Students</li> </ul> <p>Any of the employees' salaries and wages including the fringe benefits may be charged to a sponsored agreement or to any final cost objective based on the criteria described in Item 2.1.0.</p> <p>Salaries and wages directly identified with federally sponsored agreements or similar cost objectives are those associated with research staff, faculty, technical support personnel, and students who work specifically for the sponsored agreement and all fringe benefits associated with the direct labor. See Section 2.6.0 for the description of the fringe benefits.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
2.5.0	<u>Payroll Distribution Method</u>
# 1  “1	<p>Two mechanisms are used to initially record the payroll distribution for the University of North Dakota. All employees must be set up in the payroll system using a Job Data Hire Form and Position Funding Form generated by the department within which the individual has been hired. The Job Data Hire Form and Position Funding Form define the rate of pay, whether the individual is salaried or hourly, and the length of the appointment. The Position Funding Form defines the source of the funds. For salaried employees, the source of funds may be periodically modified using the Position Funding Form.</p> <p>Employees paid on an hourly basis submit a time sheet on a scheduled basis (after the fact) indicating the actual hours worked (including overtime) for each direct function including sponsored agreements or F &amp; A function. The time sheets are submitted to the UND Payroll Office for recording in the payroll accounting system. The payroll system feeds into the accounting system which records the costs to the direct or F &amp; A functions.</p> <p><u>After-the-Fact Activity Records</u>                  Personnel Activity Confirmation Reports (PAC) are used for all non-Energy and Environmental Research Center employees who do not complete a time sheet and work specifically for a sponsored agreement. The form includes all of the projects to be charged as well as the percentage of the salary and the percentage of the level of effort to be charged to each project. The employee or a responsible official (having firsthand knowledge of the work performed) signs the Personnel Activity Confirmation Report indicating that the distribution of effort including cost share (changed or not changed) represents a reasonable estimate of actual work performed for the period.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006								
2.5.2	<u>Salary and Wage Cost Accumulation System</u>								
	<p>The University has two types of salary and wage records as described in Section 2.5.0.</p> <p>The payroll process is as follows:</p> <table border="0"> <tr> <td data-bbox="269 600 298 625">#1</td> <td data-bbox="431 600 1406 747">1. A Position Funding Form is prepared for each employee. This contains fund/project numbers against which the salaries and wages for the individual are charged. A minimum of one unique fund/project number is used for each sponsored agreement and F &amp; A cost function. Hourly employees submit timesheets for the distribution of hours/effort based on actual work performed.</td> </tr> <tr> <td data-bbox="269 783 298 808">#1</td> <td data-bbox="431 783 1406 808">2. The fund/project numbers and applicable hours are input into the payroll system.</td> </tr> <tr> <td data-bbox="269 844 298 869">#1</td> <td data-bbox="431 844 1406 903">3. The payroll department charges the funds/projects based on the distribution set forth on the time sheet or Position Funding Form.</td> </tr> <tr> <td data-bbox="269 938 298 963">#1</td> <td data-bbox="431 938 1419 1022">4. The payroll system feeds into the general ledger accounting system which records the costs to the appropriate projects or F &amp; A cost functions based on the fund/project number.</td> </tr> </table> <p>Any changes made to the payroll after the fact are made to the general ledger accounting system and in the payroll system. For sponsored programs, these changes are supported by a corresponding Personnel Activity Confirmation Report.</p>	#1	1. A Position Funding Form is prepared for each employee. This contains fund/project numbers against which the salaries and wages for the individual are charged. A minimum of one unique fund/project number is used for each sponsored agreement and F & A cost function. Hourly employees submit timesheets for the distribution of hours/effort based on actual work performed.	#1	2. The fund/project numbers and applicable hours are input into the payroll system.	#1	3. The payroll department charges the funds/projects based on the distribution set forth on the time sheet or Position Funding Form.	#1	4. The payroll system feeds into the general ledger accounting system which records the costs to the appropriate projects or F & A cost functions based on the fund/project number.
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Item No.	Item Description – Revision Number 1, Effective September 30, 2006
2.6.0	<u>Description of Fringe Benefits Costs</u>
#1	<p>The following fringe benefit costs are charged as direct costs to sponsored programs and all other functions of the institution:</p> <p>1. Health Insurance – The premium for health insurance is assessed to the institution per month based on rates determined by the Public Employees Retirement System (PERS). PERS contracts with an insurance company for the purpose of providing this coverage.</p> <p>“1 2. Life Insurance – Same as health insurance under No. 1</p> <p>“1 3. Disability Insurance – Two plans are available for disability insurance. The first plan is provided through PERS and applies to employees that are eligible to participate in the PERS retirement plan. The premiums for the PERS disability insurance are part of the percentage paid to PERS defined under No. 4 below. PERS contracts with an insurance company to provide the disability coverage.</p> <p>The second plan is provided through Teachers Insurance and Annuity Association (TIAA) and applies to employees eligible to participate in the TIAA retirement package. The premium is assessed to the institution monthly by TIAA at a percentage of salary.</p> <p>“1 4. Retirement (TIAA-CREF, Public Employees Retirement System-PERS) – TIAA-CREF is a defined contribution plan which is available to faculty and certain categories of staff employees. Staff employees who are classified as professional staff, executive or administrators are covered by TIAA-CREF. The cost to the institution is based on a percentage of salary/wages for each eligible employee, the amount of which is defined by a contract between the State Board of Higher Education and TIAA.</p> <p>The state retirement plan (PERS) is a defined benefits plan which is available to certain categories of staff employees who are classified as support staff, paraprofessionals, or crafts/trades/services. The cost to the institution is based on a percentage of salary for each eligible employee. The percentage is established by PERS.</p> <p>“1 5. Social Security is paid per mandate by federal law. The cost is the employer’s share for all eligible employees.</p> <p>“1 6. Workers’ Compensation – The State Workers’ Compensation Bureau establishes the rates which are charged for coverage under Workers’ Compensation. The charge is a flexible amount based on a rating schedule which is tied to the job category. The charge is applied to a defined maximum salary per year. This cost is incurred for all employees.</p> <p>“1 7. Compensated Absences: Except for EERC employees, vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are charged to all funds as part of the normal charges for salaries and wages.</p> <p>“1 8. Unemployment – Rates for unemployment are established by the Unemployment Compensation Division of North Dakota. The premium is a flat rate applied against a maximum of salary/wages per year for all employees.</p> <p>“1 9. Employee Assistance Program – The Employee Assistance Program is provided to all benefited employees and their families at no charge. It is designed to offer assistance in a variety of areas, including marital and parenting concerns, emotional crises, financial and legal difficulties, substance abuse evaluations and work-related problems.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
2.6.1	<u>Method of Charging Direct Fringe Benefits</u>
<p>“1</p> <p>“1</p> <p>“1</p> <p>^1</p>	<p>1. Health Insurance – The premium for health insurance is assessed to the institution per month based on rates determined by the Public Employees Retirement System (PERS). PERS contracts with an insurance company for the purpose of providing this coverage. The cost of the premium is recorded within the institution per pay period and is normally charged to the source of funds that pays the salary/wages of the employee. If multiple sources fund the salary, the health premium is prorated.</p> <p>2. Life Insurance – same as health insurance under No. 1</p> <p>3. Disability Insurance – Two plans are available for disability insurance. The first plan is provided through PERS and applies to employees that are eligible to participate in the PERS retirement plan. The premiums for the PERS disability insurance are part of the percentage paid to PERS defined under No. 4 below. PERS contracts with an insurance company to provide the disability coverage.</p> <p>The second plan is provided through TIAA and applies to employees eligible to participate in the TIAA retirement package. The premium is assessed to the institution monthly by TIAA at a percentage of salary and is normally charged to the source of funds that pays the salary/wages of the employee. If multiple sources fund the salary, the disability premium is prorated.</p> <p>4. Retirement – TIAA-CREF is a defined contribution plan which is available to faculty and certain categories of staff employees. Staff employees who are classified as professional staff, executive or administrators are covered by TIAA-CREF. The cost to the institution is based on a percentage of salary/wages for each eligible employee, the amount of which is defined by a contract between the State Board of Higher Education and TIAA. The percentage paid by the institution generally follows the source of funds which pays the salary. The state retirement plan (PERS) is a defined benefits plan which is available to certain categories of staff employees who are classified as support staff, paraprofessional, or crafts/trades/service. The cost to the institution is based on a percentage of salary for each eligible employee. The percentage is established by PERS. The percentage paid by the institution generally follows the source of funds which pays the salary/wages.</p> <p>5. Social Security is paid per mandate by federal law. The cost is the employer’s share for all eligible employees. The cost is generally charged consistent with the source of funds used to pay the salary/wages of the eligible employee.</p> <p>6. Worker’s Compensation (see Section 6.4.1)–The State Workers’ Compensation Bureau establishes the rates which are charged for coverage under Workers’ Compensation. The charge is a flexible amount based on a rating schedule which is tied to the job category. The charge is applied to a defined maximum of salary per year and generally is charged to the same source of funds as the salary/wages of the employee. This cost is incurred for all employees.</p> <p>7. Compensated Absences: Except for EERC employees, vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are charged to all funds as part of the normal charges for salaries and wages.</p> <p>8. Unemployment – Rates for unemployment are established by the Unemployment Compensation Division of North Dakota. The premium is a flat rate applied against a maximum of salary/wages per year for all employees. It is generally charged to the same source of funds as the salary and wages of the employee.</p> <p>9. Employee Assistance Program – The Employee Assistance Program is provided to all benefited employees and their families at no charge. It is designed to offer assistance in a variety of areas, including marital and parenting concerns, emotional crises, financial and legal difficulties, substance abuse evaluations and work-related problems. The premiums are assessed and charged the same as health insurance under No. 1. PERS contracts with an employee assistance provider for the purpose of providing this coverage.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
2.7.0	<u>Description of Other Direct Costs</u>
*1	<p>Principal classes of other direct costs, based on the institutions object groupings, include but are not limited to:</p> <ul style="list-style-type: none"> <li>Travel</li> <li>Supplies – IT Software</li> <li>Supply/Material – Professional</li> <li>Food &amp; Clothing</li> <li>Bldg, Grounds, Vehicle Supply</li> <li>Miscellaneous Supplies</li> <li>Office Supplies</li> <li>Postage</li> <li>Printing</li> <li>IT Equipment under \$5,000</li> <li>Other Equipment under \$5,000</li> <li>Utilities</li> <li>Insurance</li> <li>Rentals/Leases – Equipment &amp; Other</li> <li>Rentals/Lease – Bldg/Land</li> <li>Repairs</li> <li>IT – Communications</li> <li>Professional Development</li> <li>Operating Fees and Services</li> <li>Professional Fees and Services</li> <li>Subcontracts and Subrecipients &gt;\$25,000</li> <li>Medical, Dental and Optical</li> <li>Miscellaneous Expenses</li> <li>Interest Expense</li> <li>Cost of Goods Sold</li> <li>Waivers/Scholarships/Fellowships</li> <li>Capital Assets</li> <li>Land and Buildings</li> <li>Other Capital Payments</li> <li>Equipment over \$5,000</li> <li>IT Equipment over \$5,000</li> </ul> <p>These costs are accumulated using account codes in the university accounting system. The costs are charged based on the criteria set forth in Item 2.1.0 which provides additional detail.</p> <p>End of Part II</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
	<p style="text-align: center;">Instructions for Part III</p> <p>Institutions should disclose how the segment's total F &amp; A costs are identified and accumulated in specific F &amp; A cost categories and allocated to applicable F &amp; A cost pools and service centers within each major function or activity, how service center costs are accumulated and "billed" to users, and the specific F &amp; A cost pools and allocation bases used to calculate the F &amp; A cost rates that are used to allocate accumulated F &amp; A 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"> <li>A. Direct Charge or Allocation</li> <li>B. Total Expenditures</li> <li>C. Modified Total Cost Basis</li> <li>D. Modified Total Direct Cost Basis</li> <li>E. Salaries and Wages</li> <li>F. Salaries, Wages and Fringe Benefits</li> <li>G. Number of Employees (head count)</li> <li>H. Number of Employees (full-time equivalent basis)</li> <li>I. Number of Students (head count)</li> <li>J. Number of Students (full-time equivalent basis)</li> <li>K. Student Hours--classroom and work performed</li> <li>L. Square Footage</li> <li>M. Usage</li> <li>N. Unit of Product</li> <li>O. Total Production</li> <li>P. More than one base (Separate Cost Groupings) <u>1/</u></li> <li>Y. Other(s) <u>1/</u></li> <li>Z. Category or Pool not applicable</li> </ul> <p><u>1/</u> List on a continuation sheet, the category and subgrouping(s) of expense involved and the allocation base(s) used.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006																																																				
3.1.0	F & A Cost Categories – Accumulation and Allocation																																																				
	<p data-bbox="396 449 1406 869"><u>F &amp; A Cost Categories - Accumulation and Allocation.</u> This item is directed at the identification, accumulation and allocation of all F &amp; A costs of the institution. (Under the column heading, "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each F &amp; A 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 F &amp; A 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 F &amp; A cost category to applicable F &amp; A cost categories, F &amp; A 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 F &amp; A cost categories to indicate the sequence of the allocation process. If cross-allocation techniques are used, insert "CA." If an F &amp; A cost category listed in this section is not used, insert "NA").</p> <table border="1" data-bbox="396 903 1406 1365"> <thead> <tr> <th data-bbox="396 903 941 945"><u>F &amp; A Cost Category</u></th> <th data-bbox="941 903 1136 945"><u>Accumulation Method</u></th> <th data-bbox="1136 903 1299 945"><u>Allocation Base Code</u></th> <th data-bbox="1299 903 1406 945"><u>Allocation Sequence</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="269 966 302 997">#1</td> <td data-bbox="396 966 941 997">(a) Depreciation/Use Allowances/Interest</td> <td data-bbox="941 966 1136 997"></td> <td data-bbox="1299 966 1406 997"></td> </tr> <tr> <td></td> <td data-bbox="396 997 941 1029">    Building</td> <td data-bbox="941 997 1136 1029"><u>YES</u></td> <td data-bbox="1299 997 1406 1029"><u>L</u>      1</td> </tr> <tr> <td></td> <td data-bbox="396 1029 941 1060">    Equipment</td> <td data-bbox="941 1029 1136 1060"><u>YES</u></td> <td data-bbox="1299 1029 1406 1060"><u>L</u>      2</td> </tr> <tr> <td></td> <td data-bbox="396 1060 941 1092">    Capital Improvements to Land <u>1/</u></td> <td data-bbox="941 1060 1136 1092"><u>YES</u></td> <td data-bbox="1299 1060 1406 1092"><u>P</u>      1</td> </tr> <tr> <td></td> <td data-bbox="396 1092 941 1123">    Interest <u>1/</u></td> <td data-bbox="941 1092 1136 1123"><u>YES</u></td> <td data-bbox="1299 1092 1406 1123"><u>L</u>      3</td> </tr> <tr> <td></td> <td data-bbox="396 1123 941 1155">(b) Operation and Maintenance</td> <td data-bbox="941 1123 1136 1155"><u>YES</u></td> <td data-bbox="1299 1123 1406 1155"><u>P</u></td> </tr> <tr> <td data-bbox="269 1155 302 1186">+1</td> <td data-bbox="396 1155 941 1207">(c) General Administration and General Expense</td> <td data-bbox="941 1155 1136 1207"><u>YES</u></td> <td data-bbox="1299 1155 1406 1207"><u>C</u></td> </tr> <tr> <td></td> <td data-bbox="396 1207 941 1239">(d) Departmental Administration</td> <td data-bbox="941 1207 1136 1239"><u>NO</u></td> <td data-bbox="1299 1207 1406 1239"><u>P</u></td> </tr> <tr> <td></td> <td data-bbox="396 1239 941 1270">(e) Sponsored Projects Administration</td> <td data-bbox="941 1239 1136 1270"><u>YES</u></td> <td data-bbox="1299 1239 1406 1270"><u>Y</u></td> </tr> <tr> <td></td> <td data-bbox="396 1270 941 1302">(f) Library</td> <td data-bbox="941 1270 1136 1302"><u>YES</u></td> <td data-bbox="1299 1270 1406 1302"><u>P</u></td> </tr> <tr> <td></td> <td data-bbox="396 1302 941 1333">(g) Student Administration and Services</td> <td data-bbox="941 1302 1136 1333"><u>YES</u></td> <td data-bbox="1299 1302 1406 1333"><u>A</u></td> </tr> <tr> <td></td> <td data-bbox="396 1333 941 1365">(h) Other <u>1/</u></td> <td data-bbox="941 1333 1136 1365"><u>NA</u></td> <td data-bbox="1299 1333 1406 1365"><u>—</u></td> </tr> </tbody> </table> <p data-bbox="396 1543 1282 1606">SEE ITEM 3.4.0 A THROUGH I FOR THE DESCRIPTION OF COST POOL ACCUMULATION AND ALLOCATION</p> <p data-bbox="396 1785 836 1816"><u>1/</u> Describe on a Continuation Sheet.</p>	<u>F &amp; A Cost Category</u>	<u>Accumulation Method</u>	<u>Allocation Base Code</u>	<u>Allocation Sequence</u>	#1	(a) Depreciation/Use Allowances/Interest				Building	<u>YES</u>	<u>L</u> 1		Equipment	<u>YES</u>	<u>L</u> 2		Capital Improvements to Land <u>1/</u>	<u>YES</u>	<u>P</u> 1		Interest <u>1/</u>	<u>YES</u>	<u>L</u> 3		(b) Operation and Maintenance	<u>YES</u>	<u>P</u>	+1	(c) General Administration and General Expense	<u>YES</u>	<u>C</u>		(d) Departmental Administration	<u>NO</u>	<u>P</u>		(e) Sponsored Projects Administration	<u>YES</u>	<u>Y</u>		(f) Library	<u>YES</u>	<u>P</u>		(g) Student Administration and Services	<u>YES</u>	<u>A</u>		(h) Other <u>1/</u>	<u>NA</u>	<u>—</u>
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3.2.0	<p><u>Service Centers.</u> Service centers are departments or functional units which 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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> <th style="text-align: center;">(5)</th> <th style="text-align: center;">(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Scientific Computer Operations</td> <td style="text-align: center;"><u>Z</u></td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> </tr> <tr> <td>(b) Business Data Processing</td> <td style="text-align: center;"><u>Z</u></td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> </tr> <tr> <td>(c) Animal Care Facilities</td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>B</u></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 F &amp; A cost. 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COST ACCOUNTING STANDARDS  
BOARD DISCLOSURE STATEMENT  
REQUIRED BY LAW 100-679  
EDUCATIONAL INSTITUTIONS

PART III  
COSTS

F&A  
UNIVERSITY OF  
NORTH DAKOTA

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3.3.0	<u>F &amp; A Cost Pools and Allocation Bases</u>																												
	<p>(Identify all of the F &amp; A cost pools established for the accumulation of F &amp; A costs, excluding service centers, and the allocation bases used to distribute accumulated F &amp; A costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable F &amp; A 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 data-bbox="396 642 1008 1310"> <thead> <tr> <th data-bbox="396 667 792 701"><u>F &amp; A Cost Pools</u></th> <th data-bbox="873 642 1008 701"><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="396 730 678 764">A. Instruction</td> </tr> <tr> <td data-bbox="428 793 618 827"><u>X</u> On-Campus</td> <td data-bbox="899 793 943 827"><u>D</u></td> </tr> <tr> <td data-bbox="428 827 618 861"><u>X</u> Off-Campus</td> <td data-bbox="899 827 943 861"><u>D</u></td> </tr> <tr> <td data-bbox="428 861 570 894">___ Other <u>1/</u></td> <td></td> </tr> <tr> <td colspan="2" data-bbox="396 915 678 949">B. Organized Research</td> </tr> <tr> <td data-bbox="428 978 618 1012"><u>X</u> On-Campus</td> <td data-bbox="899 978 943 1012"><u>D</u></td> </tr> <tr> <td data-bbox="428 1012 618 1045"><u>X</u> Off-Campus</td> <td data-bbox="899 1012 943 1045"><u>D</u></td> </tr> <tr> <td data-bbox="428 1045 570 1079">___ Other <u>1/</u></td> <td></td> </tr> <tr> <td colspan="2" data-bbox="396 1100 748 1134">C. Other Sponsored Activities</td> </tr> <tr> <td data-bbox="428 1163 618 1197"><u>X</u> On-Campus</td> <td data-bbox="899 1163 943 1197"><u>D</u></td> </tr> <tr> <td data-bbox="428 1197 618 1230"><u>X</u> Off-Campus</td> <td data-bbox="899 1197 943 1230"><u>D</u></td> </tr> <tr> <td data-bbox="428 1230 570 1264">___ Other <u>1/</u></td> <td></td> </tr> <tr> <td colspan="2" data-bbox="396 1285 786 1318">D. Other Institutional Activities <u>1/</u></td> </tr> </tbody> </table>	<u>F &amp; A Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<u>X</u> On-Campus	<u>D</u>	<u>X</u> Off-Campus	<u>D</u>	___ Other <u>1/</u>		B. Organized Research		<u>X</u> On-Campus	<u>D</u>	<u>X</u> Off-Campus	<u>D</u>	___ Other <u>1/</u>		C. Other Sponsored Activities		<u>X</u> On-Campus	<u>D</u>	<u>X</u> Off-Campus	<u>D</u>	___ Other <u>1/</u>		D. Other Institutional Activities <u>1/</u>	
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3.4.0	<u>Composition of F &amp; A Cost Pools</u>																												
	<p>(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). <u>C/S</u></p> <p><u>1/</u> Describe on a Continuation Sheet. <u>C/S</u> See Continuation Sheet.</p>																												

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
3.5.0	<u>Composition of Allocation Bases</u>
	<p>(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 F &amp; A 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). <u>C/S</u></p>
3.6.0	<u>Allocation of F &amp; A Costs to Programs That Pay Less Than Full F &amp; A Costs</u>
	<p>Are appropriate direct costs of all programs and activities included in the F &amp; A cost allocation bases, regardless of whether allocable F &amp; A costs are fully reimbursed by the sponsoring organizations?</p> <p>A. <input checked="" type="checkbox"/> Yes</p> <p>B. <input type="checkbox"/> No <sup>1/</sup></p> <p><sup>1/</sup> Describe on a Continuation Sheet.  <u>C/S</u> See Continuation Sheet.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
3.4.0	<u>Composition of F &amp; A Cost Pools</u>
	<p>Each of the following Cost Pools contain elements of cost, including salaries and wages, fringe benefits, materials and supplies, and other costs, as listed in Section 2.1.0. Letter and description correspond to F &amp; A cost categories as identified in Sections 3.1.0 and 3.2.0.</p> <p><b>^1      <u>A - Depreciation/Interest</u></b> Below is a description of the Depreciation/Interest cost pools and how the costs were allocated.</p> <p><b>*1      <u>A-1 Building Depreciation(L)</u></b> The total of the Building Depreciation cost pools contains the calculated depreciation charge based on historical cost including extraordinary repairs and replacements or betterments to buildings costing equal to or greater than \$10,000 for all buildings at UND and building rental based on actual expenditures.</p> <p><b>*1</b>      Building depreciation is composed of depreciation expense for all University owned buildings.</p> <p><b>*1</b>      Building depreciation and building rental charges for each building are determined on a building by building basis, and the charges are allocated to cost pools based on the functional use of space for each building. Federally funded depreciation is excluded from the calculation.</p> <p><b>*1      <u>A-2 - Equipment Depreciation(L)</u></b> The total Equipment Depreciation cost pool contains the calculated depreciation for all equipment at UND with a unit cost of \$5,000 or greater and an expected useful life greater than one year.</p> <p><b>*1</b>      A depreciation charge is calculated using the straight line method for equipment. Depreciation of equipment purchased with federal and other sponsored funds is excluded from the F&amp;A calculation.</p> <p>Depreciation is identified to the building and then allocated on the basis of the buildings' functionalized space. Equipment that is located in non-university space is identified to the department and then allocated on the basis of total allowable cost for the department.</p> <p><b>*1      <u>A-3 Improvement Depreciation(HJ; F)</u></b> The total of the Improvement Depreciation cost pool contains the calculated depreciation charge based on historical cost for all extraordinary repairs and replacements or betterments to land and buildings costing equal to or greater than \$10,000, if not already capitalized as part of the total cost of the building.</p> <p><b>^1</b>      Improvement depreciation is allocated to cost pools based on student and <b>*1</b>      employee full time equivalents. Depreciation of improvements purchased with <b>“1</b>      federal or other sponsored funds is excluded from the F&amp;A calculation.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
#1	<p><b><u>A-4 Building Interest(L)</u></b>            Includes the cost for building interest that UND has incurred for external loans associated with buildings. The interest is allocated to functions based on the use of space within the building.</p> <p><b>B - Operations and Maintenance</b>            Below is a description of the O&amp;M cost pools and how the costs were allocated. This category also includes its allocable share of allocations from the previous cost pool.</p> <p><b><u>B-1 Physical Plant Administration(D)</u></b>            The physical plant administration costs are allocated to the other operations and maintenance pools based on total allowable costs.</p> <p><b><u>B-2 Centralized Utilities(L)</u></b>            The cost of centralized utilities is allocated on the basis of functionalized space. Total utility costs are split first between metered building usage and non-metered building usage. All non-metered utilities are allocated first to the building based on total space of non-metered buildings, then to the functions based on the functionalized space of the building. Metered utilities are allocated to the building based on actual usage. The costs are then allocated to the functions based on the functionalized space of the building.</p> <p><b><u>B-3 Building Maintenance(L)</u></b>            The cost of building maintenance is allocated on the basis of functionalized space. Buildings excluded from the allocation are those that maintenance is not provided for or where the maintenance is paid for on their own. Those excluded are the EERC and Auxiliaries.</p> <p><b><u>B-4 Custodial Services(L)</u></b>            The cost of custodial services is allocated on the basis of functionalized space. The areas that fund their own custodial services are the EERC and Auxiliaries.</p> <p><b><u>B-5a Campus Wide O&amp;M NonEERC(L)</u></b>            The cost of campus wide operations and maintenance is allocated on the basis of functionalized space. This represents functions that benefit the entire University. The area that is excluded as they pay their own is the EERC.</p> <p><b><u>B-5b Campus Wide O&amp;M Police and Safety(L)</u></b>            The cost of police and safety departments are allocated to all buildings on a building by building basis.</p> <p><b><u>B-6 Auxiliary Enterprises O&amp;M(A)</u></b>            Includes costs directly attributable to auxiliary buildings and activities. These costs are all borne by the auxiliary cost pool in Other Institutional Activities.</p> <p><b><u>B-7 EERC O&amp;M(L)</u></b>            Includes costs directly attributable to EERC buildings and activities. These costs are all borne by EERC fund numbers.</p>
*1	
“1	

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
<p>^1</p> <p>*1</p>	<p><b>C – General and Administrative</b>            Below is a description of each G&amp;A cost pool and how the costs were allocated. This category also includes its allocable share of allocations from the previous cost pools.</p> <p><b><u>C-1 University Wide Administration(C)</u></b>            Includes the costs of the administrative structure including the basic business systems which service all University units. These costs are allocated on the basis of total allowable costs.</p> <p><b><u>C-2 Academic Administration(D)</u></b>            This represents the expenditures of the Vice President for Academic Affairs, the Graduate School, the Instructional Development office and their respective staffs. These costs are allocated to the Library, Instruction, Research, and Other Sponsored Activity based on total allowable costs.</p> <p><b><u>C-3 Human Nutrition Center Administration(A)</u></b>            This is the costs to provide a business officer to support the Human Nutrition Research Center. This individual is housed at the federally owned Human Nutrition Research Center and oversees the university sponsored programs at the center. The costs are allocated 100% to the Human Nutrition Research Center cost pool.</p> <p><b><u>C-4 Cost Pool Deleted</u></b></p> <p><b><u>C-5 Information Technology Systems and Services(C)</u></b>            Includes all costs associated with operating the center. Information Technology Systems and Service is the administrative host for the entire Higher Education Computer Network. The costs are first split between University and non-University use. The University portion is then allocated to all remaining cost pools based on total allowable cost.</p> <p><b>D – Departmental Administration(D)</b>            These costs are for general support/clerical personnel and are derived using the Direct Charge Equivalent (DCE) methodology. A unique DA cost pool is established for each academic department. Within each of these cost pools, five separate components are calculated:</p> <ol style="list-style-type: none"> <li>1) Professional Administrative Salaries</li> <li>2) General Support/Clerical salaries and wages</li> <li>3) Faculty and Professional salaries and wages (3.6% Administrative Allowance) per A-21</li> <li>4) A prorated share of employee benefits</li> <li>5) Other General expenses</li> </ol> <p><b>Professional Administrative and General Support/Clerical Salaries and Wages</b>            The first two components, Professional Administrative and General Support/Clerical salaries and wages are determined through a review of the institution's payroll system. Job positions for each academic department which are defined as pure</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
	<p>administrative (e.g. business managers, accountants, etc.) and have been charged to the general operating account of the department are categorized as 100 percent departmental administration.</p> <p>Job positions per each academic department which are defined as General Support/Clerical (e.g. secretaries, laboratory aides, student help, etc.) or Faculty and Professional (e.g. professors, departmental chairmen, laboratory directors, scientists, graduate and research assistants, etc.) and have been direct charged to sponsored research agreements, are used to calculate a direct charge equivalent (DCE). The DCE ratio is defined as general support/clerical salaries and wages charged to sponsored research agreements divided by faculty and professional salaries and wages charged to sponsored research agreements. The DCE ratio is computed on a department by department basis.</p> <p>The DCE ratio is compared against the actual general support/clerical salaries and wages and the actual faculty and professional salaries and wages (less an estimate of the 3.6 percent faculty administrative allowance) which have been charged to each department's general operating account.</p> <p>When the DCE ratio is less than the ratio calculated for the general operating account for a given department, an excess or residual of general support/clerical salaries and wages exists within the general operating account. The excess is treated as pure Departmental Administration and is transferred to the DA cost pool. When the DCE ratio is greater than the ratio calculated for the general operating account, no excess exists and no transfer is made to the DA cost pool.</p> <p><b>Faculty and Professional Salaries and Wages</b> – Faculty and Professional (F&amp;P) salaries and wages are determined by taking the modified total direct costs (MTDC), less the professional administrative salaries and wages, general support/clerical salaries and wages, and all other DA items and multiplying by 3.6 percent Faculty Administrative Allowance (FAA). The salary and wage portion of F&amp;P is then calculated by dividing the FAA by one plus the academic employee benefit rate. The resulting amount of faculty and professional salaries and wages is then transferred from the general operating account to the DA cost pool.</p> <p><b>Employee Benefits</b> – Employee benefits are determined by multiplying the benefit rate for the department to the Professional Administrative and General Support/Clerical salaries and wages reclassified as DA. These amounts are then discounted by the 3.6 percent FAA before they are transferred to the DA cost pools.</p> <p><b>Other General Expense</b> – Other general expense is also determined through the DCE methodology. The DCE applicable to other general expense is defined as other general expense charged to sponsored agreements divided by all salaries and wages charged to sponsored agreements. The DCE ratio for other general expense is computed on a department by department basis.</p> <p>The DCE ratio for other general expense is then compared against the actual other general expense and the actual salaries and wages (less 3.6 percent faculty administrative allowance) which have been charged to each department's general operating account.</p>



Item No.	Item Description – Revision Number 1, Effective September 30, 2006
	<p>When the DCE ratio for other general expense is less than the ratio calculated for the general operating account, an excess or residual of other General Expense exists within the general operating account. The excess is treated as pure Departmental Administration and is transferred to the DA cost pool. When the DCE ratio for Other General Expense is greater than the ratio calculated for the general operating account, no excess exists and no transfer is made to the DA cost pool.</p> <p>The EERC is a single function department, that function is Research. Therefore, we do not use a Direct Charge Equivalent. See this section in the EERC segment disclosure statement for further discussion.</p> <p><b>E - Sponsored Projects Administration</b>                      Sponsored Projects Administration includes all costs associated with the Vice President for Research (VPR), Research Development and Compliance (RDC) and Grants and Contracts Administrative Office (GCA). These offices work together to process grant/contract proposals and administer sponsored projects at UND. This category also includes its allocable share of allocations from the previous cost pools.</p> <p>*1</p> <p><b><u>E-1 RD&amp;C (Including VPR) (Y1)</u></b>                      The costs of RD&amp;C and VPR are allocated to the benefiting functions based on the function of proposals processed.</p> <p>*1</p> <p><b><u>E-2 GCA(Y2)</u></b>                      The costs of GCA are allocated on the basis of the MTDC of grants/contracts monitored.</p> <p>*1</p> <p><b>F - Library</b>                      Library costs include all expenditures associated with running and maintaining the UND library system. In addition to the general elements of costs identified at the beginning of this section, this cost pool also contains all expenditures incurred for the purchase of new books and periodicals throughout the fiscal year.</p> <p>This category includes its allocable share of allocations from the previous cost pools except for Sponsored Projects Administration.</p> <p><b><u>F-1 Library(HJ; E)</u></b>                      Includes the costs of running the main campus library. These costs are identified first to either faculty and professional staff or students based on FTE.</p> <p>Those costs identified to the faculty and professional are then allocated to the cost pools based on the salary and wages for each cost pool. The costs identified to students are allocated to instruction.</p> <p><b><u>F-2 EERC Library(A)</u></b>                      Includes the costs of running the EERC library. These costs are allocated 100% to the EERC cost pool.</p> <p><b><u>F-3 Medical School Library(HJ; E)</u></b>                      Includes the costs of running the Medical School Library. These costs are identified first to either medical faculty and professional or medical students based on FTE.</p>

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	<p>Those costs identified to the medical faculty and professional are then allocated to cost pools based on the medical salaries and wages for each cost pool. The costs identified to medical students are allocated to instruction.</p> <p><b><u>F-4 Law School Library(A)</u></b>                      Includes the costs of running the Law School Library. These costs are allocated 100 percent to instruction.</p> <p><b><u>G - Student Administration and Services(A)</u></b>                      Student Administration and Services(SAS) includes all costs associated with supporting students at the University of North Dakota. SAS includes departments such as Student Special Services, Enrollment Services, Student Financial Aid, Admissions, Registrar and the Vice President for Student Affairs. These costs are allocated 100% to the Instruction function. This category includes its allocable share of allocations from the previous cost pools except for Library.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
3.2.0	<u>Service Centers</u>
*1	<p>In general, the following items of cost may be included (but not limited to) in the service centers:</p> <ul style="list-style-type: none"> <li>Salaries</li> <li>Fringe Benefits</li> <li>Travel</li> <li>Supplies – IT Software</li> <li>Supply/Material – Professional</li> <li>Food &amp; Clothing</li> <li>Bldg, Grounds, Vehicle Supply</li> <li>Miscellaneous Supplies</li> <li>Office Supplies</li> <li>Postage</li> <li>Printing</li> <li>IT Equipment under \$5,000</li> <li>Other Equipment under \$5,000</li> <li>Utilities</li> <li>Insurance</li> <li>Rentals/Leases – Equipment &amp; Other</li> <li>Rentals/Leases – Bldg/Land</li> <li>Repairs</li> <li>IT – Communications</li> <li>Professional Development</li> <li>Operating Fees and Services</li> <li>Professional Fees and Services</li> <li>Subcontracts and Subrecipients &gt; \$25,000</li> <li>Medical, Dental and Optical</li> <li>Miscellaneous Expenses</li> <li>Interest Expense</li> <li>Cost of Goods Sold</li> <li>Depreciation</li> <li>Facilities and Administrative Costs</li> </ul> <p>These costs are accumulated using account codes in the university accounting system. They are charged based on the criteria set forth in Item 2.1.0.</p>





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

PART IV  
DEPRECIATION AND USE  
ALLOWANCES  
UNIVERSITY OF NORTH DAKOTA

Item No.	Item Description – Revision Number 1, Effective September 30, 2006																																																		
4.1.0	<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 border="1"> <thead> <tr> <th data-bbox="479 703 609 724">Asset Category</th> <th data-bbox="901 682 998 745">Depreciation Method (1)</th> <th data-bbox="1047 682 1112 745">Useful Life (2)</th> <th data-bbox="1177 682 1258 745">Property Unit (3)</th> <th data-bbox="1339 682 1421 745">Residual Value (4) C/S</th> </tr> </thead> <tbody> <tr> <td data-bbox="479 766 763 798">*1 (a) Land Improvements</td> <td data-bbox="950 766 974 798"><u>A</u></td> <td data-bbox="1047 766 1071 798"><u>C</u></td> <td data-bbox="1177 766 1201 798"><u>A</u></td> <td data-bbox="1339 766 1364 798"><u>B</u></td> </tr> <tr> <td data-bbox="479 798 641 829">(b) Buildings</td> <td data-bbox="950 798 974 829"><u>A</u></td> <td data-bbox="1047 798 1071 829"><u>C</u></td> <td data-bbox="1177 798 1201 829"><u>A</u></td> <td data-bbox="1339 798 1364 829"><u>B</u></td> </tr> <tr> <td data-bbox="479 829 795 861">(c) Building Improvements</td> <td data-bbox="950 829 974 861"><u>A</u></td> <td data-bbox="1047 829 1071 861"><u>C</u></td> <td data-bbox="1177 829 1201 861"><u>A</u></td> <td data-bbox="1339 829 1364 861"><u>B</u></td> </tr> <tr> <td data-bbox="479 861 828 892">(d) Leasehold Improvements</td> <td data-bbox="950 861 974 892"><u>A</u></td> <td data-bbox="1047 861 1071 892"><u>C</u></td> <td data-bbox="1177 861 1201 892"><u>A</u></td> <td data-bbox="1339 861 1364 892"><u>B</u></td> </tr> <tr> <td data-bbox="479 892 657 924">(e) Equipment</td> <td data-bbox="950 892 974 924"><u>A</u></td> <td data-bbox="1047 892 1071 924"><u>C</u></td> <td data-bbox="1177 892 1201 924"><u>A</u></td> <td data-bbox="1339 892 1364 924"><u>B</u></td> </tr> <tr> <td data-bbox="479 924 779 955">(f) Furniture and Fixtures</td> <td data-bbox="950 924 974 955"><u>A</u></td> <td data-bbox="1047 924 1071 955"><u>C</u></td> <td data-bbox="1177 924 1201 955"><u>A</u></td> <td data-bbox="1339 924 1364 955"><u>B</u></td> </tr> <tr> <td data-bbox="479 955 812 987">(g) Automobiles and Trucks</td> <td data-bbox="950 955 974 987"><u>A</u></td> <td data-bbox="1047 955 1071 987"><u>C</u></td> <td data-bbox="1177 955 1201 987"><u>A</u></td> <td data-bbox="1339 955 1364 987"><u>B</u></td> </tr> <tr> <td data-bbox="479 987 592 1018">(h) Tools</td> <td data-bbox="950 987 974 1018"><u>B</u></td> <td data-bbox="1047 987 1104 1018"><u>N/A</u></td> <td data-bbox="1177 987 1234 1018"><u>N/A</u></td> <td data-bbox="1339 987 1396 1018"><u>N/A</u></td> </tr> <tr> <td data-bbox="479 1018 836 1186">(i) Enter Code Y on this line if the other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable Code Z.</td> <td data-bbox="950 1018 974 1050"><u>Z</u></td> <td data-bbox="1047 1018 1104 1050"><u>N/A</u></td> <td data-bbox="1177 1018 1234 1050"><u>N/A</u></td> <td data-bbox="1339 1018 1396 1050"><u>N/A</u></td> </tr> </tbody> </table> <p data-bbox="576 1228 901 1249"><u>Column (1)</u>--Depreciation Method Code</p> <p data-bbox="576 1270 885 1354">A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method <u>1/</u></p> <p data-bbox="576 1438 836 1459"><u>Column (3)</u>--Property Unit Code</p> <p data-bbox="576 1480 1039 1564">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 lines Y. Other or more than one method <u>1/</u></p> <p data-bbox="1047 1228 1299 1249"><u>Column (2)</u>--Useful Life Code</p> <p data-bbox="1047 1270 1372 1417">A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21 Y. Other or more than one method <u>1/</u></p> <p data-bbox="1047 1438 1339 1459"><u>Column (4)</u>--Residual Value Code</p> <p data-bbox="1047 1480 1364 1543">A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method <u>1/</u></p> <p data-bbox="381 1753 868 1795"><u>1/</u> Describe on a Continuation Sheet.</p>	Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4) C/S	*1 (a) Land Improvements	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	(b) Buildings	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	(c) Building Improvements	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	(d) Leasehold Improvements	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	(e) Equipment	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	(f) Furniture and Fixtures	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	(g) Automobiles and Trucks	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	(h) Tools	<u>B</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	(i) Enter Code Y on this line if the other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable Code Z.	<u>Z</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
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COST ACCOUNTING STANDARDS  
BOARD DISCLOSURE STATEMENT  
REQUIRED BY LAW 100-679  
EDUCATIONAL INSTITUTIONS

PART IV  
DEPRECIATION AND USE  
ALLOWANCES  
UNIVERSITY OF NORTH DAKOTA

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
4.1.1  *1	<p><u>Asset Valuations and Useful Lives.</u> Are the asset valuations and useful lives used in your F &amp; A 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"/> No <u>1/</u></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 change 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 checked="" type="checkbox"/> Excluded from determination of sponsored agreements costs B. <input type="checkbox"/> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged C. <input 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"/> Other(s) <u>1/</u> Z. <input type="checkbox"/> Not applicable</p>
4.4.0  *1	<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 <u>\$5,000</u> B. Minimum Life Years <u>more than 1 year</u> <u>C/S</u></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"/> Yes <u>1/</u> B. <input checked="" type="checkbox"/> No</p> <p><u>1/</u> Describe on a Continuation Sheet. <u>C/S</u> See Continuation Sheet</p>





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

PART V  
 OTHER COSTS AND CREDITS  
 UNIVERSITY OF NORTH DAKOTA

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
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.    <u>  X  </u>    Cash</p> <p>B.    <u>   </u>    Accrual <u>1/</u></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.    <u>   </u>    The credits/receipts are offset against the specific direct or F &amp; A costs to which they relate.</p> <p>B.    <u>   </u>    The credits/receipts are handled as a general adjustment to the F &amp; A pool.</p> <p>C.    <u>   </u>    The credits/receipts are treated as income and are not offset against costs.</p> <p>D.    <u>  X  </u>    Combination of methods <u>1/</u> <u>C/S</u></p> <p>Y.    <u>   </u>    Other <u>1/</u></p> <p><u>1/</u> Describe on a Continuation Sheet.  <u>C/S</u> See Continuation Sheet</p>



Item No.	Item Description – Revision Number 1, Effective September 30, 2006								
	Instructions for Part VI								
	<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 VI. (See item 4, page (I), General Instructions)</p>								
6.1.0	<u>Pension Plans</u>								
6.1.1	<p>Defined-Contribution Pension Plans. 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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;"><u>Type of Plan</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Number of Plans</u></th> </tr> </thead> <tbody> <tr> <td style="padding-left: 40px;">A. <input checked="" type="checkbox"/> Institution employees participate in State/Local Government Retirement Plan(s)</td> <td style="text-align: center; vertical-align: bottom;"><u>  1  </u></td> </tr> <tr> <td style="padding-left: 40px;">B. <input checked="" type="checkbox"/> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution</td> <td style="text-align: center; vertical-align: bottom;"><u>  1  </u></td> </tr> <tr> <td style="padding-left: 40px;">C. <input type="checkbox"/> Institution has its own Defined-Contribution Plan(s) <u>1/</u></td> <td></td> </tr> </tbody> </table>	<u>Type of Plan</u>	<u>Number of Plans</u>	A. <input checked="" type="checkbox"/> Institution employees participate in State/Local Government Retirement Plan(s)	<u>  1  </u>	B. <input checked="" type="checkbox"/> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	<u>  1  </u>	C. <input type="checkbox"/> Institution has its own Defined-Contribution Plan(s) <u>1/</u>	
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6.1.2	<p><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><u>1/</u> Describe on a Continuation Sheet.</p>								

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
6.2.0	<p><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>A. <input type="checkbox"/> Not Applicable</p>
6.2.1	<p><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 used, 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).</p>
6.3.0	<p><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).</p> <p>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 <u>1/</u>            Z. <input checked="" type="checkbox"/> Not Applicable</p>
6.4.0	<p><u>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance).</u></p>
6.4.1	<p><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).</p> <p>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 checked="" type="checkbox"/> Other or more than one method <u>1/ C/S</u>            Z. <input type="checkbox"/> Not Applicable</p> <p><u>1/</u> Describe on a Continuation Sheet.  <u>C/S</u> See Continuation Sheet</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
6.4.2	<p><u>Casualty Insurance</u>. Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one).</p> <p>A. <input type="checkbox"/> When losses are incurred (no provision for reserves)</p> <p>B. <input type="checkbox"/> When provisions for reserves are recorded based on replacement costs</p> <p>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.</p> <p>D. <input type="checkbox"/> Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves)</p> <p>Y. <input type="checkbox"/> Other or more than one method <u>1/</u></p> <p>Z. <input checked="" type="checkbox"/> Not Applicable</p> <p><u>1/</u> Describe on a Continuation Sheet.</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
6.2.0	<u>Post Retirement Benefits Other Than Pensions</u>
#1	<p>Post retirement benefits are not provided as a part of the normal retirement process.</p> <p>Post retirement benefits are paid per the specific terms of an individual's early retirement agreement, if applicable. Benefits may include any of those listed under Section 2.6.0. As of June, 2006, payment for various benefits are scheduled for eight individuals (mostly faculty) affected by early retirement buyouts. The majority of these are for continuation of health insurance for a defined period of time. These costs are not a direct charge against sponsored programs.</p>
6.4.1	<u>Workers' Compensation and Liability</u>
“1	<p>The Workers' Compensation deductible is self-insured by the University through a direct charge against the source of funds that paid the payroll costs for the individual. In those instances where the fund is no longer active, a current equivalent is selected. The deviation is not material.</p> <p>The amount exceeding the deductible is paid by the Workers' Compensation Bureau which is funded by premiums paid by businesses and governments performing business within the state. The State Worker's Compensation Bureau establishes the rates which are charged for coverage under Workers Compensation. The charge is a flexible amount based on a rating schedule which is tied to the job category. The charge is applied to a defined maximum salary per year and generally is charged to the same source of funds as the salary/wages of the employee. This cost is incurred for all employees.</p> <p>End of Part VI</p>

Item No.	Item Description – Revision Number 1, Effective September 30, 2006
	<p style="text-align: center;">DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP            (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE</p> <p style="text-align: center;">Instruction for Part VII</p> <p>This part should be completed only 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 group office, disclosure should cover all of the subordinate organizations administered by the group office.</p> <p>7.1.0      <u>Organizational Structure.</u></p> <p>7.2.0      <u>Cost Accumulation and Allocation</u></p> <p>On a continuation sheet, provide a description of:</p> <ul style="list-style-type: none"> <li>A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc.), in brief.</li> <li>B. How the costs of the services are identified and accumulated.</li> <li>C. The basis used to allocate the accumulated costs to the benefiting segments.</li> <li>D. Any costs that are transferred from a segment to the central system office or the intermediate administrative office, and which are reallocated to another segment(s). If none, so state.</li> <li>E. Any fixed management fees that are charged to a segment(s) in lieu of a prorata or allocation basis and the basis of such charges. If none, so state.</li> </ul>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART VII CENTRAL SYSTEM OR GROUP EXPENSES UNIVERSITY OF NORTH DAKOTA
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Item No.	Item Description – Revision Number 1, Effective September 30, 2006
7.1.0	<u>Organizational Structure</u>
	<p>The University of North Dakota is an entity of the State of North Dakota. The University is subject to management and supervision by the State Board of Higher Education as established in the North Dakota Constitution. Oversight by the Board is facilitated by the operations of the North Dakota University System Office.</p> <p>The Energy &amp; Environmental Research Center is a division of the University reporting directly to the President of the institution. Based on differences in function and financial activity, the Energy Center has been identified as a separate segment for the purposes of Cost Accounting Standards disclosure.</p> <p>The University of North Dakota is the administrative host site for computing for the North Dakota University System (NDUS). This is accomplished through the Higher Education Computer Network (HECN). Funding for base services for the NDUS is provided to the University as part of the state appropriation (see Section 3.4.0, C-5). Additional assessments may be made to all NDUS institutions to fund activities beyond the base appropriation (for example, software development).</p>
7.2.0	<u>Cost Accumulation and Allocation</u>
#1	<p>A. The University of North Dakota provides the following services (see Item 3.4.0):            Operations and Maintenance            General Administration            Sponsored Projects Administration            Library</p> <p>B. Costs of the services referenced above are identified and accumulated by fund/dept/project. In instances where the fund data is not sufficient, memorandum records may be used are maintained with the documentation of the institutions facilities and administration cost proposal.</p>
#1	<p>C. Accumulated costs are allocated to the benefiting campus segments based on modified total direct costs (MTDC) excluding the depreciation and operations and maintenance cost pools. This allocation is part of the facilities and administration cost rate calculation.</p> <p>D. None.</p> <p>E. None.</p>
	End of Part VII