

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

The University of Memphis
July 1, 2011

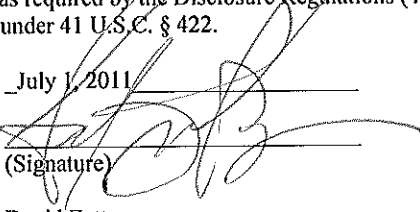
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	GENERAL INSTRUCTIONS
<ol style="list-style-type: none"> 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 	<p>This Disclosure Statement has been designed to meet 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).</p> <p>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 insured 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 insured by a Central or Group office and are allocated to one or more segments performing under Federally sponsored agreements.</p> <p>Each segment or business unit required to disclose its cost accounting practices should complete the Cover Sheet, the Certification, and Parts I through VI.</p> <p>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 insures 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.</p> <p>The Statement must be signed by an authorized signatory of the reporting unit.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Disclosure Statements must be amended when disclosed practices are changed to comply with a new CAS or when practices are changed with or without agreement to the Government (Also see 48 CFR 9903.202-3).</p> <p>Amendments shall be submitted to the same offices to which submission would have to be made were an original Disclosure Statement being filed.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	GENERAL INSTRUCTIONS
<p>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.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		COVER SHEET AND CERTIFICATION
0.1	<p>Educational Institution</p> <p>(a) Name The University of Memphis</p> <p>(b) Street Address 276 Administration Bldg</p> <p>(c) City, State and ZIP Code Memphis, TN 38152</p> <p>(d) Division or Campus of (if applicable) NA</p>	
0.2	<p>Reporting Unit is: (Mark one.)</p> <p>A. _____ Independently Administered Public Institution</p> <p>B. _____ Independently Administered Nonprofit Institution</p> <p>C. <u> X </u> Administered as Part of a Public System</p> <p>D. _____ Administered as Part of a Nonprofit System</p> <p>E. _____ Other (Specify) _____</p>	
0.3	<p>Official to Contact Concerning this Statement:</p> <p>(a) Name and Title Jeannie Smith, Assistant Vice President for Finance</p> <p>(b) Phone Number (include area code and extension) (901) 678-4530</p>	
0.4	<p>Statement Type and Effective Date:</p> <p>A. (Mark type of submission. If a revision, enter number)</p> <p>(a) <u> X </u> Original Statement</p> <p>(b) _____ Amended Statement; Revision No. _____</p> <p>B. Effective Date of this Statement: (Specify) <u>July 1, 2011</u></p>	
0.5	<p>Statement Submitted To (Provide office name, location and telephone number, include area code and extension):</p> <p>A. Cognizant Federal Agency: <u>Department of Health and Human Services</u> <u>Division of Cost Allocation</u> <u>7700 Wisconsin Avenue Ste. 2301</u> <u>Bethesda, MD, 20857</u></p> <p>B. Cognizant Federal Auditor: <u>Department of Health and Human Services</u> <u>Office of Inspector General</u></p>	

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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	COVER SHEET AND CERTIFICATION
	<p style="text-align: center;">CERTIFICATION</p> <p>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.</p> <p>Date of Certification: <u>July 1, 2011</u></p> <p style="text-align: center;"> (Signature)</p> <p style="text-align: center;">David Zettergren (Print or Type Name)</p> <p style="text-align: center;"><u>Vice President for Business and Finance</u> (Title)</p> <p>THE PENALTY FOR MAKING A FALSE STATEMENT IN THIS DISCLOSURE IS PRESCRIBED IN 18 U.S.C. § 1001</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION University of Memphis
Item No.	Item Description	
	Part I	
1.1.0	<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.) A. <input checked="" type="checkbox"/> Accrual B. <input type="checkbox"/> Modified Accrual Basis ¹ C. <input type="checkbox"/> Cash Basis Y. <input type="checkbox"/> Other ¹	
1.2.0	<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.) A. <input type="checkbox"/> Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts.) B. <input type="checkbox"/> Not integrated with financial accounting records (Cost data are accumulated on memorandum records.) C. <input checked="" type="checkbox"/> Combination of A and B	
1.3.0	<u>Unallowable Costs.</u> Costs that are not reimbursable as allowable costs under the terms and conditions of Federally sponsored agreements are: (Mark one) A. <input checked="" type="checkbox"/> Specifically identified and recorded separately in the formal financial accounting records. ¹ B. <input type="checkbox"/> Identified in separately maintained accounting records or workpapers. ¹ C. <input type="checkbox"/> Identifiable through use of less formal accounting techniques that permit audit verification. ¹ D. <input type="checkbox"/> Combination of A, B or C ¹ E. <input type="checkbox"/> Determinable by other means. ¹	
1.3.1	<u>Treatment of Unallowable Costs.</u> (Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group office allocates costs to a segment.)	

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¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION University of Memphis
Item No.	Item Description	
1.4.0	<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.)	
1.5.0	<u>State Laws or Regulations.</u> Identify on a continuation sheet any State laws or regulations which influence the institution's cost accounting practices, e.g., State administered pension plans, and any applicable statutory limitations or special agreements on allowance of costs.	

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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET University of Memphis
Item.No.	Item Description	
1.1.0	<p><u>Description of Your Cost Accounting System</u> The University is a part of the State University and Community College System of Tennessee (Tennessee Board of Regents). This system is a component unit of the State of Tennessee because the state appoints a majority of the system's governing body and provides financial support.</p> <p>For financial statement purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant interfund transactions are eliminated.</p>	
1.2.0	<p><u>Integration of Cost Accounting with Financial Accounting</u> The cost accounting system relies on financial information obtained from the Banner financial system that is extracted and used to calculate facilities and administrative cost rates. Some adjustments and reclassifications are made to transition the costs on the financial statements to the cost pools required by Title 2 in the Code of Federal Regulations (2 CFR), subtitle A, chapter II, part 220.</p> <p>Cost sharing is identified through specific FOAPa (Fund, Organization, Account, Program, Activity) within Banner.</p> <p>Memorandum records are created for the following costs:</p> <ul style="list-style-type: none"> • Department administration is a calculation that is internal to the rate calculation process. • Inkind contributions are documented in the grant folder. 	
1.3.0	<p><u>Unallowable Costs</u></p> <p>Under University policy, UM1719 – "Charges to Sponsored Agreements," the University will charge costs to sponsored agreements in compliance with Federal regulations, to ensure all costs are allocable, reasonable, consistent and allowable.</p> <p>The unallowable costs must be charged to specific account codes in the accounting system. The costs recorded in these account codes are excluded from the direct and indirect costs charged to sponsored agreements. Additionally, costs incurred by organizational units whose overall activities are unallowable (e.g., University Development, Alumni Relations, etc.) are identified by the accounting system at the department or account level and removed from the indirect cost pools allocated to sponsored agreements. Reviews to assure compliance with these policies are made by the University's Office of Grants and Contracts.</p>	
1.3.1	<p><u>Treatment of Unallowable Costs</u> Unallowable costs are excluded from charges to sponsored agreements. Unallowable directly associated costs as defined in CAS 505 are also excluded from charges to sponsored agreements.</p> <p>Unallowable costs are identified by fund, organization, or account code. Unallowable activities are classified as Other Institutional Activities (OIA), and indirect costs are allocated to OIA as well according to space occupied or MTDC.</p>	

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		University of Memphis
Item No.	Item Description	
1.5.0	<p><u>State Laws or Regulations</u> The Tennessee Board of Regents' (TBR) policies and guidelines influence the University's accounting practices. A detailed list of all TBR Business and Finance policies can be found at: http://www.tbr.edu/policies/default.aspx?id=1602. Specifically the following are described in detail:</p> <p>Fiscal Year The State dictates fiscal year for the University of Memphis to be July 1 through June 30.</p> <p>Travel The Comprehensive Travel Regulations of the State of Tennessee and the travel policy of the Tennessee Board of Regents (TBR) are consistent with University policy. TBR's "General Travel" policy can be found at: http://www.tbr.edu/policies/default.aspx?id=1050.</p> <p>Purchasing The University follows the laws of the State of Tennessee, TBR "Purchasing Policy and Procedures," and TBR "Conflict of Interest" policy for the purchase of goods and services and these have been incorporated into University operating procedures. Details regarding these specific policies can be found at: http://www.tbr.edu/policies/default.aspx?id=1044 and http://www.tbr.edu/policies/default.aspx?id=4844.</p> <p>In addition, the TBR "Council of Buyers Minimum General Bid Conditions," and the TBR "Code of Ethics in Procurement and Contracting" are adopted as minimum standards in the procurement of goods and services for the University. Details regarding these specific policies can be found at: http://bf.memphis.edu/procurement/tbrmingenbid.pdf and http://bf.memphis.edu/procurement/tbrcodeofethics.pdf.</p> <p style="text-align: center;">- End of Part I-</p>	

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

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¹ Describe on a Continuation Sheet.

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

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Item No.	Item Description	
2.5.2	<u>Salary and Wage Cost Accumulation System.</u> (Within each major function or activity, describe, on a continuation sheet, the specific accounting records or memorandum records used to accumulate and record the share of the total salary and wage costs attributable to each employee's direct (Federally sponsored projects, non-sponsored projects or similar cost objectives) and indirect activities. Indicate how the salary and the wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records.)	
2.6.0	<u>Description of Direct Fringe Benefits Costs.</u> All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet <u>all</u> of the different types of fringe benefits which are classified and charged as direct costs, e.g., actual or accrued costs of vacation, holidays, sick leave, sabbatical leave, premium pay, social security, pension plans, post-retirement benefits other than pensions, health insurance, training, tuition, tuition remission, etc.)	
2.6.1	<u>Method of Charging Direct Fringe Benefits.</u> (Describe on a continuation sheet, how each type of fringe benefit cost identified in item 2.6.0. is measured, assigned and allocated (for definitions, See 9903.302-1); first, to the major functions (e.g., instruction, research); and, then to individual projects or direct cost objectives within each function.)	
2.7.0	<u>Description of Other Direct Costs.</u> All other items of cost directly identified with Federally sponsored agreements or similar cost objectives. (List on a continuation sheet the principal classes of other costs which are charged directly, e.g., travel, consultants, services, subgrants, subcontracts, malpractice insurance, etc.)	
2.8.0	<u>Cost Transfers.</u> When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants or contracts, is the credit amount for direct personal services, materials, other direct charges and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project (Consider transactions where the original charge and the credit occurs in different cost accounting periods). (Mark one, if "No", explain on a continuation sheet how the credit differs from original charge.) <input checked="checked" type="checkbox"/> X Yes <input type="checkbox"/> No	

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Item No.	Item Description																											
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"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Materials</u> (1)</th> <th style="text-align: center;"><u>Supplies</u> (2)</th> <th style="text-align: center;"><u>Services</u> (3)</th> </tr> </thead> <tbody> <tr> <td>A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>C. At established catalog or market price or prices based on adequate competition.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Y. Other(s)¹</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Z. Interorganizational transfers are not applicable.</td> <td style="text-align: center;">___X___</td> <td style="text-align: center;">___X___</td> <td style="text-align: center;">___X___</td> </tr> </tbody> </table>					<u>Materials</u> (1)	<u>Supplies</u> (2)	<u>Services</u> (3)	A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	C. At established catalog or market price or prices based on adequate competition.	_____	_____	_____	Y. Other(s) ¹	_____	_____	_____	Z. Interorganizational transfers are not applicable.	___X___	___X___	___X___
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		University of Memphis	
Item No.	Item Description		
2.1.0	<u>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives</u> The University of Memphis charges costs to sponsored agreements in compliance with Federal regulations, to ensure all costs are allocable, reasonable, consistent and allowable which is defined in University policy, UM1719 Charges to Sponsored Agreements. Accordingly, this policy details consistent practices for defining and charging direct costs and facilities and administrative costs ("F & A" or "indirect costs") to sponsored agreements. Addressed in this policy are the treatment of allowable and unallowable costs, definition of direct costs and the consistent treatment of costs in like and unlike circumstances. Unallowable costs will not be permitted on sponsored agreements, and, if charged to a sponsored agreement, will be moved to non-sponsored cost expenditure accounts. However, consistent with 2 CFR, subtitle A, chapter II, part 220, these costs will be included in the appropriate base when calculating the F&A cost rate. Full details describing the University policy, UM 1719 Charges to Sponsored Agreements, can be found at http://policies.memphis.edu/UM1719.htm .		
2.2.0	<u>Description of Direct Materials.</u> Under University policy, UM1719 Charges to Sponsored Agreements, direct costs must be necessary to perform the sponsored agreement's stated scope of work. Direct materials and supplies are identified by account codes. A full list can be found in University policy, UM 1719 Charges to Sponsored Agreements. Examples of typical costs normally budgeted and charged as direct costs, but not limited to, include: <ul style="list-style-type: none">• Operating Expenses• Consulting Services• Lab Supplies (not Office Supplies)		
2.4.0	<u>Description of Direct Personal Services.</u> Direct personal service costs consist of salaries and wages and fringe benefits. These services are divided into the following categories: Faculty Full and Part-time, Administrative, Staff Full and Part-time, Graduate Assistants, Student Labor, and Fellowships. Salaries may be charged to a sponsored project as long as they are reasonable for the work performed, conform to University policy, UM 1719 – "Charges to Sponsored Agreements," and meet the criteria of 2.1.0. Administrative salaries are only charged directly in accordance with section 2.1.0.		
2.5.0	<u>Method of Charging Direct Salaries and Wages</u> <ul style="list-style-type: none">A. Direct charges for full and part-time bi-weekly paid staff and students are based on individual time sheets using UM Web For Time reporting system.B. Direct charges for full and part-time monthly paid staff and students (GAs) are based on assignments entered into the HR system using an appointment form. Leave for these employees is reported monthly using UM Web for Time.C. After the fact activity records are generated for monthly paid employees who had salary charges to a sponsored FOAP to accurately confirm total effort of employees.		

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Item No.	Item Description		
2.5.2	<p><u>Salary and Wage Cost Accumulation System.</u></p> <p>All faculty and professional staff, including temporary instructors, graduate assistants, and temporary professional employees, who are paid by a sponsored program contract, grant or University cost share during a defined effort certification period must certify effort during that period as part of the Effort Certification process. The full details can be found in University Policy, UM 1676 Certification of Effort (http://policies.memphis.edu/UM1676.htm).</p> <p>Accordingly, this policy details that effort certifications completed in connection with University sponsored projects are accurate, reasonably reflect the actual level of effort expended on a sponsored project, and comply with sponsor requirements.</p> <p>If the employee's actual distribution of effort/work performed is significantly different from the actual salary distribution, the accounting records will be adjusted appropriately by Grants and Contracts Accounting. Labor costs will be transferred to the appropriate Fund, Organization, Account, Program and Activity (FOAPA) along with necessary budget revisions. Certifier must submit approved Salary Redistribution Request Form to Grants and Contracts Accounting.</p> <p>Faculty and other employees are responsible for completing effort certifications within the specified time frame outlined in the accompanying instructions. The time frame for the final effort certification at year end will be expedited in order to allow for needed salary redistributions prior to the end of the fiscal year.</p> <p>Principal Investigators, department chairs and activity heads are responsible for ensuring that the effort certification process is completed on time. A list of delinquent departments will be provided to the appropriate executive officer (Provost or Vice President) for action.</p> <p>After effort has been certified, further adjustments of these labor costs will be made only in extenuating circumstances and must be supported by a written detailed explanation of the circumstances and justification for the adjustment. UM Salary Redistribution Request Form must be submitted by the requesting department with all required approvals.</p> <p>The effort of all bi-weekly employees, including students, temporary employees, and graduate assistants paid on a bi-weekly basis, assigned/appointed to sponsored programs or assigned/appointed to positions for the purpose of fulfilling the University's obligation to sponsored program (cost-sharing), will be certified biweekly in conjunction with time reporting system, UM Web For Time.</p>		
2.6.0	<p><u>Description of Direct Fringe Benefits Costs.</u></p> <p>The University uses fringe benefit rates based on several personnel classification groups. The classification groups are salary, hourly, and temporary employees. The rates are consistently charged to all applicable FOAPs from which salaries or wages are paid.</p> <p>The following fringe benefits are attributable to direct salaries and wages charged directly to Federally sponsored agreements or similar cost objectives: FICA, Retirement, Life Insurance, Unemployment Insurance, Health Insurance, Scholarship Benefits, Compensated Absences, Terminal Pay, Death Benefits and Workers' Compensation.</p> <p>Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the costs of these paid absences.</p>		
2.6.1	<p><u>Method of Charging Direct Fringe Benefits.</u></p> <p>Fringe benefits rates are specifically identified to each employee category and are charged as a percentage of each individual's salary as direct costs. Fringe benefit rates are annually negotiated with our federal cognizant agency.</p>		

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2.7.0	<p><u>Description of Other Direct Costs.</u></p> <p>The University of Memphis charges costs to sponsored agreements in compliance with Federal regulations, to ensure all costs are allocable, reasonable, consistent and allowable which is defined in University policy, UM 1719 Charges to Sponsored Agreements.</p> <p>Accordingly, this policy details all other items of other costs that are charged directly to federally sponsored agreements include, but are not limited to:</p> <ul style="list-style-type: none"> • Travel • Operating Expenses • Consulting Services • Lab Supplies • Animal Care Charges • Subcontracts • GA Fee Remissions <p style="text-align: right;">- End of Part II-</p>	

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

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

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3.1.0	<p><u>Indirect Cost Categories - Accumulation and Allocation.</u> This item is directed at the identification, accumulation and allocation of all indirect costs of the institution. (Under the column heading, "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each indirect cost category are identified, recorded and accumulated in the institution's formal accounting system. If "No," describe on a continuation sheet, how the cost elements included in the indirect cost category are identified and accumulated. Under the column heading "Allocation Base," enter one of the allocation base codes A through P, Y, or Z, to indicate the basis used for allocating the accumulated costs of each indirect cost category to applicable indirect cost categories, indirect cost pools, other institutional activities, specialized service facilities and other service centers. Under the column heading "Allocation Sequence," insert 1, 2, or 3 next to each of the first three indirect cost categories to indicate the sequence of the allocation process. If cross-allocation techniques are used, insert "CA." If an indirect cost category listed in this section is not used, insert "NA.")</p> <table border="1"> <thead> <tr> <th><u>Indirect Cost Category</u></th> <th><u>Accumulation Method</u></th> <th><u>Allocation Base Code</u></th> <th><u>Allocation Sequence</u></th> </tr> </thead> <tbody> <tr> <td>(a) Depreciation/Use Allowance/Interest</td> <td></td> <td></td> <td><u>1</u></td> </tr> <tr> <td> Building</td> <td><u>Y</u></td> <td><u>L</u></td> <td></td> </tr> <tr> <td> Equipment</td> <td><u>Y</u></td> <td><u>L</u></td> <td></td> </tr> <tr> <td> Capital Improvements to Land¹</td> <td><u>Y</u></td> <td><u>E,H,J</u></td> <td></td> </tr> <tr> <td> Interest¹</td> <td><u>Y</u></td> <td><u>L</u></td> <td></td> </tr> <tr> <td>(b) Operation and Maintenance</td> <td><u>Y</u></td> <td><u>P</u></td> <td><u>2</u></td> </tr> <tr> <td>(c) General Administration and General Expense</td> <td><u>Y</u></td> <td><u>C</u></td> <td><u>3</u></td> </tr> <tr> <td>(d) Departmental Administration</td> <td><u>N</u></td> <td><u>D</u></td> <td></td> </tr> <tr> <td>(e) Sponsored Projects Administration</td> <td><u>Y</u></td> <td><u>D</u></td> <td></td> </tr> <tr> <td>(f) Library</td> <td><u>Y</u></td> <td><u>P</u></td> <td></td> </tr> <tr> <td>(g) Student Administration and Services</td> <td><u>Y</u></td> <td><u>A</u></td> <td></td> </tr> <tr> <td>(h) Other¹</td> <td><u>NA</u></td> <td><u>NA</u></td> <td></td> </tr> </tbody> </table>			<u>Indirect Cost Category</u>	<u>Accumulation Method</u>	<u>Allocation Base Code</u>	<u>Allocation Sequence</u>	(a) Depreciation/Use Allowance/Interest			<u>1</u>	Building	<u>Y</u>	<u>L</u>		Equipment	<u>Y</u>	<u>L</u>		Capital Improvements to Land ¹	<u>Y</u>	<u>E,H,J</u>		Interest ¹	<u>Y</u>	<u>L</u>		(b) Operation and Maintenance	<u>Y</u>	<u>P</u>	<u>2</u>	(c) General Administration and General Expense	<u>Y</u>	<u>C</u>	<u>3</u>	(d) Departmental Administration	<u>N</u>	<u>D</u>		(e) Sponsored Projects Administration	<u>Y</u>	<u>D</u>		(f) Library	<u>Y</u>	<u>P</u>		(g) Student Administration and Services	<u>Y</u>	<u>A</u>		(h) Other ¹	<u>NA</u>	<u>NA</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="1"> <thead> <tr> <th></th> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> <th>(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Scientific Computer Operations</td> <td><u>Z</u></td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>(b) Business Data Processing</td> <td><u>Z</u></td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>(c) Animal Care Facilities</td> <td><u>A</u></td> <td><u>A</u></td> <td><u>C</u></td> <td><u>A</u></td> <td><u>B</u></td> <td><u>A</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 indirect cost. (Specify below; use a Continuation Sheet, if necessary)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><u>Plant Facilities</u></td> <td><u>C</u></td> <td><u>A</u></td> <td><u>C</u></td> <td><u>A</u></td> <td><u>A</u></td> <td><u>C</u></td> </tr> </tbody> </table>								(1)	(2)	(3)	(4)	(5)	(6)	(a) Scientific Computer Operations	<u>Z</u>	—	—	—	—	—	(b) Business Data Processing	<u>Z</u>	—	—	—	—	—	(c) Animal Care Facilities	<u>A</u>	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>	<u>A</u>	(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet, if necessary)							<u>Plant Facilities</u>	<u>C</u>	<u>A</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>C</u>
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(1)	<u>Category Code:</u> Use code "A" if the service center costs are billed only as direct costs of final cost objectives; code "B" if billed only to indirect cost categories or indirect cost pools; code "C" if billed to both direct and indirect cost objectives.																																																
(2)	<u>Burden Code:</u> Code "A" - center receives an allocation of all applicable indirect costs; Code "B" - partial allocation of indirect costs; Code "C" - no allocation of indirect costs.																																																
(3)	<u>Billing Rate Code:</u> Code "A" - billing rates are based on historical costs; Code "B" - rates are based on projected costs; Code "C" - rates are based on a combination of historical and projected costs; Code "D" - billings are based on the actual costs of the billing period; Code "Y" - other (explain on a Continuation Sheet).																																																
(4)	<u>User Charges Code:</u> Code "A" - all users are charged at the same billing rates; Code "B" - some users are charged at different rates than other users (explain on a Continuation Sheet).																																																
(5)	<u>Actual Costs vs. Revenues Code:</u> Code "A" - billings (revenues) are compared to actual costs (expenditures) at least annually; Code "B" - billings are compared to actual costs less frequently than annually.																																																
(6)	<u>Variance Code:</u> Code "A" - Annual variance between billed and actual cost are prorated to users (as credits or charges); Code "B" - variances are carried forward as adjustments to billing rate of future periods; Code "C" - annual variances are charged or credited to indirect costs; Code "Y" - other (explain on a Continuation Sheet).																																																

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3.3.0	<p><u>Indirect Cost Pools and Allocation Bases</u></p> <p>(Identify all of the indirect costs pools established for the accumulation of indirect costs, excluding service centers, and the allocation bases used to distribute accumulated indirect costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable indirect cost pools, enter the applicable Allocation Base Code A through P, Y, or Z, to indicate the basis used for allocating accumulated pool costs to Federally sponsored agreements or similar cost objectives.)</p> <table> <thead> <tr> <th><u>Indirect Cost Pools</u></th> <th><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td colspan="2">A. Instruction</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td><u>D</u></td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td><u>D</u></td> </tr> <tr> <td><input type="checkbox"/> Other¹</td> <td><u> </u></td> </tr> <tr> <td colspan="2">B. Organized Research</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td><u>D</u></td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td><u>D</u></td> </tr> <tr> <td><input type="checkbox"/> Other¹</td> <td><u> </u></td> </tr> <tr> <td colspan="2">C. Other Sponsored Activities</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td><u>D</u></td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td><u>D</u></td> </tr> <tr> <td><input type="checkbox"/> Other¹</td> <td><u> </u></td> </tr> <tr> <td colspan="2">D. Other Institutional Activities¹</td> </tr> <tr> <td colspan="2"><u> </u></td> </tr> </tbody> </table>		<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<input checked="" type="checkbox"/> On-Campus	<u>D</u>	<input checked="" type="checkbox"/> Off-Campus	<u>D</u>	<input type="checkbox"/> Other ¹	<u> </u>	B. Organized Research		<input checked="" type="checkbox"/> On-Campus	<u>D</u>	<input checked="" type="checkbox"/> Off-Campus	<u>D</u>	<input type="checkbox"/> Other ¹	<u> </u>	C. Other Sponsored Activities		<input checked="" type="checkbox"/> On-Campus	<u>D</u>	<input checked="" type="checkbox"/> Off-Campus	<u>D</u>	<input type="checkbox"/> Other ¹	<u> </u>	D. Other Institutional Activities ¹		<u> </u>	
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3.4.0	<p><u>Composition of Indirect Cost Pools.</u> (For each pool identified under Items 3.1.0 and 3.2.0, describe on a continuation sheet the major organizational components, subgroupings of expenses, and elements of cost included.)</p>																															
3.5.0	<p><u>Composition of Allocation Bases.</u> (For each allocation base code used in Items 3.1.0 and 3.3.0, describe on a continuation sheet the makeup of the base. For example, if a modified total direct cost base is used, specify which of the elements of direct cost identified in Part II, Direct Costs, that are included, e.g., materials, salaries and wages, fringe benefits, travel costs, and excluded, e.g., subcontract costs over first \$25,000. Where applicable, explain if service centers are included or excluded. Specify the benefiting functions and activities included. If any cost objectives are excluded from the allocation base, such cost objectives and the alternate allocation method used should be identified. If an indirect cost allocation is based on Cost Analysis Studies, identify the study, and fully describe the study methods and techniques applied, the composition of the specific allocation base used, and the frequency of each reassuring study.)</p>																															

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¹ Describe on a Continuation Sheet.

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3.6.0	<p><u>Allocation of Indirect Costs to Programs That Pay Less Than Full Indirect Costs.</u> Are appropriate direct costs of all programs and activities included in the indirect cost allocation bases, regardless of whether allocable indirect costs are fully reimbursed by the sponsoring organizations?</p> <p>A. <input checked="" type="checkbox"/> Yes</p> <p>B. <input type="checkbox"/> No¹</p>	

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3.1.0	<u>Indirect Cost Categories -- Accumulation and Allocation</u> (a) Depreciation/ Interest Improvements to Land - Allocation of improvements to land is to user categories of students and employees on the basis of FTEs. The amount allocated to student FTEs is allocated 100% to Instruction. The amount allocated to the employee category is allocated to all functions on the basis of salaries and wages. Interest – Interest associated with building construction, renovations or major remodeling is allocated based on square footage. (d) Departmental Administration Departmental administration expenses are only partially identified by the accounting system. This cost pool consists of the administrative costs of the dean's office; costs associated with the administrative work of department heads, faculty and other professional research and academic staff; and other departmental support services. The administrative costs of the dean's office are identified by the accounting system. The costs associated with administrative activities of department heads, faculty and other professional research and academic staff are covered by a standard allowance of 3.6% of modified total direct costs specified in paragraph F.6.a.(2) of Circular A-21.		
3.2.0	<u>Service Centers.</u> For the Animal Care Facilities, external users are charged higher rates for services and animals provided.		
3.4.0	<u>Composition of Indirect Cost Pools.</u> <u>Described for 3.1.0</u> (a) Depreciation/Interest <u>1. Building</u> - Building depreciation is calculated on the basis of the capitalized values recorded in the financial system. The depreciation associated with buildings funded with federal funds is eliminated. Each asset is assigned a useful life based on the type of asset and is depreciated on a straight-line basis. <u>2. Equipment</u> - Equipment depreciation is calculated on the basis of the capitalized values of individual items recorded in the financial system. The depreciation associated with equipment purchased with federal funds or private funds is eliminated. Surplus equipment items are also excluded. Each asset is assigned a useful life based on the type of asset and is depreciated on a straight-line basis. <u>3. Improvements to Land</u> - Capital improvements depreciation is calculated on the basis of the capitalized values recorded in the financial system. <u>4. Interest</u> – Interest cost associated with capital asset-related debt issued by the State of Tennessee for the University of Memphis is recorded in the financial system. Interest incurred on special obligation bonds for higher education facilities issued by State of Tennessee are included in this cost pool. This interest is allocated to The University of Memphis by the Tennessee Board of Regents (TBR) through the TBR Cost Allocation Plan for Interest Expense on Higher Education Facilities Bonds.		

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3.4.0 con't	<p>(b) Operations and Maintenance – This cost pool is divided into five sub-pools:</p> <ol style="list-style-type: none"> 1. <u>Academic and General Operations</u> – Includes O&M costs primarily for the E&G buildings. Costs for the AVP Physical Plant and Employee Safety and Health are included here. O&M costs for auxiliaries are initially charged to a central account, then billed directly to either the corresponding building (such as dormitory), or to an auxiliary account. 2. <u>Campuswide</u> – Includes costs associated with Campuswide operations such as the University's Police. 3. <u>Hazardous Waste Mitigation</u> - Includes costs associated with hazardous waste mitigation specific to all laboratory space on campus used for research and instruction. 4. <u>Building Specific</u> - Includes costs associated with projects that are specifically identified to buildings. 5. <u>Departmental Paid</u> – Includes O&M costs paid for by the department, either to external vendors or through interdepartmental charges from the Facilities division. <p>The O&M sub-pools include cross-allocations where appropriate, from the building depreciation, equipment depreciation, land improvements and interest cost pools.</p> <p>(c) General Administration</p> <p>Includes all costs associated with the general administration of the University. Examples of departments in this cost pool are the Office of the President, Provost, and VP for Business and Finance. The expenses include salaries and wages, fringe benefits, and other operating expenditures. Potentially unallowable expense items and functions are removed from this pool.</p> <p>The GA pool includes cross-allocations where appropriate from the building depreciation, equipment depreciation, land improvements, interest and O&M cost pools.</p> <p>(d) Departmental Administration</p> <p>Departmental administration expenses are only partially identified by the accounting system. DA costs consist of departmental administration incurred by the Academic Dean's offices and by the academic departments. A portion of the Academic Department DA is calculated according to a Direct Charge Equivalent (DCE) methodology for clerical and general support salaries and department operating supplies and expense.</p> <p>The DCE is Calculated in the costing system using a formula driven methodology.</p> <p>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"> 1) Administrative salaries and wages 2) General support salaries and wages 3) Faculty and Professional salaries and wages 4) Prorated share of employee benefits 5) Prorated share of other expenditures <p>The methodology and calculations follow the guidelines set forth in 2 CFR, subtitle A, chapter II, part 220. The DCE methodology applies only to the general support salaries and wages, to which 2 CFR, subtitle A, chapter II, part 220 makes no reference. All other components are accumulated in the financial accounting system. Potentially unallowable expense items and functions are removed from this pool.</p> <p>This cost pool also contains its allocable share of building depreciation, equipment depreciation, land improvements, interest expense, O&M expense, and general administration.</p>	

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3.4.0 con't	<p>(e) Sponsored Projects Administration</p> <p>This pool includes all expenses incurred specifically for the administration of sponsored projects and programs whose expenses are contained in separate accounts in the University's financial system. The expenses include salaries and wages, fringe benefits, and other operating expenditures. Activities include but are not limited to pre and post-award services and grant and contract accounting. Potentially unallowable expense items and functions are removed from this pool.</p> <p>SPA also includes cross-allocations where appropriate from the building depreciation, equipment depreciation, land improvements, interest, O&M, and GA.</p> <p>(f) Library</p> <p>These costs are for the operation of the University's library system. Expenses include salaries and wages, fringe benefits and operating expenses. The library cost pool is offset by library revenue (applicable credits) as guided in 2 CFR, subtitle A, chapter II, part 220.</p> <p>Library also includes cross-allocations where appropriate from the building depreciation, equipment depreciation, land improvements, interest, O&M, and GA.</p> <p>(g) Student Services and Administration</p> <p>This cost pool includes expenses that exclusively benefit students and are associated with the Vice President for Student Affairs and the administration of departments such as Enrollment Services, Undergraduate Programs. Costs include salaries and wages, fringe benefits, and other operating expenses.</p> <p>SSA also includes cross-allocations where appropriate from the building depreciation, equipment depreciation, land improvements, interest, O&M and GA. These costs are all allocated to the Instruction function.</p> <p><u>Composition of Allocation Bases.</u> Cost pools identified under item 3.1.0</p>	
3.5.0	<p>(a) Depreciation/Interest</p> <p>(1) <u>Building – Allocation Base Code “L” (Square Footage)</u> - The capitalized value of buildings is obtained from the University's financial records and is adjusted to exclude federal funds. The university capitalizes construction projects that cost greater than \$100,000 and \$50,000 for additions to buildings. Building costs are accumulated on a building-by-building basis. These costs are allocated to various indirect and direct cost pools based on the functional use of each building. The functional use is established as the square footage occupied by each function in relationship to the total assigned space within the building.</p> <p>2) <u>Equipment – Allocation Base Code “L” (Square Footage)</u> - The University capitalizes equipment with a unit cost greater than \$5,000 and a useful life of more than one year. Where possible, each piece of equipment is identified to the room in which it is housed and allocated based on the functional use of that room. Equipment that cannot be matched to a room is allocated based on the functional use of department space. Equipment that is located in building-wide common space is allocated to functions based on the functional use of the building space.</p>	

FORM CAS DS-2 (REV 10/94)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET
		University of Memphis
Item No.	Item Description	
3.5.0 con't	<p>(3) <u>Improvements to Land</u> - Allocation Base Code "E", "H" & "J" - Depreciation is allocated to user categories of students and employees on a FTE basis. The amount allocated to the student category is allocated or assigned to the instruction function. The amount allocated to the employee category is allocated to the major functions based on salaries and wages of those functions.</p> <p>(4) <u>Interest</u> - Allocation Base Code "L" (Square Footage) – Interest costs are allocated on the same basis as building depreciation.</p> <p>(b) Operation and Maintenance <u>Allocation Base Code "L" (Square Footage)</u> –</p> <ol style="list-style-type: none"> 1. <u>Academic and General Operations</u>. Costs are allocated primarily to non-auxiliary buildings based on functional use. 2. <u>Campuswide</u>. Costs are allocated to all buildings on campus based on functional use. 3. <u>Hazardous Waste Mitigation</u>. Costs are allocated to all laboratory space on campus, including laboratories used primarily for instruction. 4. <u>Building Specific</u>. Costs are allocated building-by-building based on functional use. 5. <u>Departmental Paid</u>. Costs are allocated department-by-department based on functional use. <p>(c) General Administration and General Expense <u>Allocation Base Code "C" (Modified Total Cost Basis)</u> – Pool costs are allocated on the basis of MTC to all benefiting university activities.</p> <p>d) Departmental Administration <u>Allocation Base Code "D" (Modified Total Direct Cost Basis)</u> – The administrative expenses of the Dean's offices for each college or school is allocated to the academic departments within the college or school on the basis of MTDC. The administrative expenses of each academic department and the department share of the expenses allocated from the Dean's offices are allocated to the appropriate functions of the department on the basis of MTDC.</p> <p>(e) Sponsored Projects Administration <u>Allocation Base Code "D" (Modified Total Direct Cost Basis)</u> – Pool costs are allocated on the basis of sponsored MTDC for all sponsored activity.</p> <p>(f) Library <u>Allocation Base Code "P" (More than one base)</u> – Pool costs are initially allocated on the basis of primary categories of users including students, professional employees and other users. The amount allocated to the student category is allocated 100% to the instruction function. The amount allocated to the professional employee category is allocated to the major functions of the institution in proportion to the salaries and wages. The amount allocated to the other users category is assigned 100% to OIA.</p> <p>(g) Student Administration and Services <u>Allocation Base Code "A" (Direct Charge or Allocation)</u> – Pool costs are allocated 100% to the instruction function.</p>	

FORM CAS DS-2 (REV 10/94)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET
		University of Memphis
Item No.	Item Description	
3.5.0 con't	<p>The following are base definitions:</p> <p>Modified Total Cost – The Modified Total Costs (MTC) base is applicable for the allocation of the General Administration cost pool. MTC includes the same types of expenditures that are included in Modified Total Direct Costs (below).</p> <p>Modified Total Direct Cost – The Modified Total Direct Cost (MTDC) base for Organized Research, Instruction and Departmental Research, Other Institutional Activities and Other Sponsored Activities consists of salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). MTDC shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships and fellowships as well as the portion of each subgrant or subcontract in excess of \$25,000.</p> <p>Square Footage – The ratio of net assignable square feet for each function, calculated by room, building or department.</p> <p>Direct Charge or Allocation – Costs are directly assigned to the benefiting function.</p> <p>More than one Base – Salaries and Wages, Number of Employees (full-time equivalent basis), and Number of Students (full-time equivalent basis).</p> <p style="text-align: right;">- End of Part III-</p>	

FORM CAS DS-2 (REV 10/94)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART IV - DEPRECIATION AND USE ALLOWANCES University of Memphis																																																		
Item No.	Item Description																																																		
4.1.0	<p style="text-align: center;">Part IV</p> <p>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives. (For each asset category listed below, enter a code from A through C in Column (1) describing the method of depreciation; a code from A through D in Column (2) describing the basis for determining useful life; a code from A through C in Column (3) describing how depreciation methods or use allowances are applied to property units; and Code A or B in Column (4) indicating whether or not the estimated residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column (1) only, if an asset category is not applicable)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Asset Category</th> <th style="text-align: center;">Depreciation Method (1)</th> <th style="text-align: center;">Useful Life (2)</th> <th style="text-align: center;">Property Unit (3)</th> <th style="text-align: center;">Residual Value (4)</th> </tr> </thead> <tbody> <tr> <td>(a) Land Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(b) Buildings</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(c) Building Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(d) Leasehold Improvements</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(e) Equipment</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(f) Furniture and Fixtures</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(g) Automobiles and Trucks</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(g) Tools</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 48%;"> <p><u>Column (1) - Depreciation Method Code</u></p> <p>A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method¹</p> </div> <div style="width: 48%;"> <p><u>Column (2) - Useful Life Code</u></p> <p>A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Budget circular No. A-21 Y. Other or more than one method¹</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 48%;"> <p><u>Column (3) - Property Unit Code</u></p> <p>A. Individual units are accounted for separately B. Applied to groups of assets with similar service lines C. Applied to groups of assets with varying service lives Y. Other or more than one method¹</p> </div> <div style="width: 48%;"> <p><u>Column (4) - Residual Value Code</u></p> <p>A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method¹</p> </div> </div>	Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)	(a) Land Improvements	A	C	A	B	(b) Buildings	A	C	A	B	(c) Building Improvements	A	C	A	B	(d) Leasehold Improvements	Z				(e) Equipment	A	C	A	B	(f) Furniture and Fixtures	A	C	A	B	(g) Automobiles and Trucks	A	C	A	B	(g) Tools	Z				(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)	Z			
Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)																																															
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FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV - DEPRECIATION AND USE ALLOWANCES University of Memphis
Item No.	Item Description	
4.1.1	<p>Asset Valuations and Useful Lives. Are the asset valuations and useful lives used in your indirect cost proposal consistent with those used in the institution's financial statements? (Mark one.)</p> <p>A. <input checked="" type="checkbox"/> Yes B. <input type="checkbox"/> No¹</p>	
4.2.0	<p><u>Fully Depreciated Assets.</u> Is a usage charge for fully depreciated assets charged to Federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Yes B. <input checked="" type="checkbox"/> No</p>	
4.3.0	<p><u>Treatment of Gains and Losses on Disposition of Depreciable Property.</u> Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. <input 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"/> Others¹ Z. <input type="checkbox"/> Not applicable</p>	
4.4.0	<p><u>Criteria for Capitalization.</u> (Enter (a) the minimum dollar amount of expenditures which are capitalized for acquisition, addition, alteration, donation and improvement of capital assets, and (b) the minimum number of expected life years of assets which are capitalized. If more than one dollar amount or number applies, show the information for the majority of your capitalized assets, and enumerate on a continuation sheet the dollar amounts and/or number of years for each category or subcategory of assets involved which differs from those for the majority of assets.)</p> <p>A. Minimum Dollar Amount <u>\$5,000</u> B. Minimum Life Years <u>>1 year</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"/> Yes¹ B. <input checked="" type="checkbox"/> No</p>	

FORM CAS DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET											
		University of Memphis											
Item No.	Item Description												
4.4.0	<p><u>Criteria for Capitalization.</u></p> <p>Dollar amounts for each category of depreciation.</p> <table> <tr> <td>Buildings</td> <td>\$100,000</td> </tr> <tr> <td>Infrastructure</td> <td>\$50,000</td> </tr> <tr> <td>Equipment</td> <td>\$5,000</td> </tr> <tr> <td>Additions/Improvements to Buildings and Land</td> <td>\$50,000</td> </tr> <tr> <td>Software/Intangible Assets</td> <td>\$100,000</td> </tr> </table> <p>These assets, with the exception of land, are depreciated/amortized using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.</p> <p>The University of Memphis financial statement footnote categorizes capital assets as property, plant, equipment, library holdings, and intangible assets and are reported in the Statement of Net Assets at historical cost or at fair value at date of donation, less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are not capitalized.</p> <p style="text-align: right;">- End of Part IV-</p>			Buildings	\$100,000	Infrastructure	\$50,000	Equipment	\$5,000	Additions/Improvements to Buildings and Land	\$50,000	Software/Intangible Assets	\$100,000
Buildings	\$100,000												
Infrastructure	\$50,000												
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FORM CAS DS-2 (REV 10/94)

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

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS University of Memphis											
Item No.	Item Description												
	<p align="center">Instructions for Part VI</p> <p>This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits) and insurance. Some organizations may insure all of these costs at the main campus level or for public institutions at the governmental unit level, while others may insure them at subordinate organization levels. Still others may insure 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 insure such costs, the segment should, on a continuation sheet, identify the organizational entity that insures and records such costs. When the costs allocated to Federally sponsored agreements are material, the reporting unit should require that entity to complete the applicable portions of this Part IV. (See item 4, page (i), General Instructions)</p>												
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 border="0"> <thead> <tr> <th></th> <th><u>Type of Plan</u></th> <th><u>Number of Plans</u></th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>_____ Institution employees participate in State/Local Government Retirement Plan(s)</td> <td>_____</td> </tr> <tr> <td>B.</td> <td><u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution</td> <td><u> 3 </u></td> </tr> <tr> <td>C.</td> <td>_____ Institution has its own Defined-Contribution Plan(s)¹</td> <td>_____</td> </tr> </tbody> </table>		<u>Type of Plan</u>	<u>Number of Plans</u>	A.	_____ Institution employees participate in State/Local Government Retirement Plan(s)	_____	B.	<u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	<u> 3 </u>	C.	_____ Institution has its own Defined-Contribution Plan(s) ¹	_____
	<u>Type of Plan</u>	<u>Number of Plans</u>											
A.	_____ Institution employees participate in State/Local Government Retirement Plan(s)	_____											
B.	<u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	<u> 3 </u>											
C.	_____ Institution has its own Defined-Contribution Plan(s) ¹	_____											
6.1.2	Defined-Benefit Pension Plan. (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.)												
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>Z. [X] Not Applicable</p>												

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS <u>University of Memphis</u>
Item No.	Item Description	
6.2.1	Determination of Annual PRB Costs. (On a continuation sheet, indicate whether PRB costs charged to Federally sponsored agreements are determined on the cash or accrual basis of accounting. If costs are accrued, describe the accounting practices uses, including actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)	
6.3.0	<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)</p> <p>B. <input checked="" type="checkbox"/> When contributions are made to a nonforfeitable fund</p> <p>C. <input type="checkbox"/> When contributions are made to a forfeitable fund</p> <p>D. <input type="checkbox"/> When the benefits are paid to employee</p> <p>E. <input type="checkbox"/> When amounts are paid to an employee welfare plan</p> <p>Y. <input type="checkbox"/> Other or more than one method¹</p> <p>Z. <input type="checkbox"/> Not Applicable</p>	
6.4.0	<u>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance.)</u>	
6.4.1	<p>Worker's Compensation and Liability. 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 insured (no provision for reserves)</p> <p>B. <input type="checkbox"/> When provisions for reserves are recorded based on the present value of the liability</p> <p>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</p> <p>D. <input checked="" type="checkbox"/> When funds are set aside or contributions are made to a fund</p> <p>Y. <input type="checkbox"/> Other or more than one method¹</p> <p>Z. <input type="checkbox"/> Not Applicable</p>	
6.4.2	<p>Casualty Insurance. 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 insured (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 method¹</p> <p>Z. <input checked="" type="checkbox"/> Not Applicable</p>	
- End of Part VI-		

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VII - CENTRAL SYSTEM OR GROUP EXPENSES University of Memphis
Item No.	Item Description	
	<p align="center">DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE.</p> <p align="center">Instructions for Part VII</p> <p>This part should be completed <u>only</u> by the central system office or a group office of an educational system when that office is responsible for administering two or more segments, where it allocates its costs to such segments and where at least one of the segments is required to file Parts I through VI of the Disclosure Statement.</p> <p>The reporting unit (central system or group office) should disclose how costs of services provided by the reporting unit are, or will be, accumulated and allocated to applicable segments of the institution. For a central system office, disclosure should cover the entire institution. For a group office, disclosure should cover all of the subordinate organizations administered by that group office.</p>	
7.1.0	<p><u>Organizational Structure.</u></p> <p>On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.</p>	
7.2.0	<p><u>Cost accumulation and Allocation.</u></p> <p>On a continuation sheet, provide a description of:</p> <p>A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc.), in brief.</p> <p>B. How the costs of the services are identified and accumulated.</p> <p>C. The basis used to allocate the accumulated costs to the benefiting segments.</p> <p>D. Any costs that are transferred from a segment <u>to</u> the central system office or the intermediate administrative office, and which are reallocated to another segment(s). If none, so state.</p> <p>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.</p>	
	<p align="center">- End of Part VII-</p>	

FORM CASB DS-2 (REV 10/94)