

COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS
CASB DS-2
Revision #3 Effective 7/1/04

University of Alaska Statewide System

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		INDEX
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<p align="center">COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>	<p align="center">COVER SHEET AND CERTIFICATION</p>
<p>0.1</p> <p>0.2</p> <p>0.3</p> <p>0.4</p> <p>0.5</p>	<p>Educational Institution</p> <p>(a) Name University of Alaska Statewide System (SW)</p> <p>(b) Street Address 910 Yukon Drive, Suite 207</p> <p>(c) City, State and ZIP Code Fairbanks, Alaska 99775</p> <p>(d) Division or Campus of (if applicable)</p> <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> <p>Official to Contact Concerning this Statement:</p> <p>(a) Name and Title Joseph Beedle, Vice President for Finance, SW</p> <p>(b) Phone Number (include area code and extension) (907) 474-7711</p> <p>Statement Type and Effective Date:</p> <p>A. (Mark type of submission. If a revision, enter number)</p> <p>(a) _____ Original Statement</p> <p>(b) <u> X </u> Amended Statement; Revision No. <u> 3 </u></p> <p>Effective Date of this Statement: (Specify) <u> 7/1/04 </u></p> <p>Statement Submitted To (Provide office name, location and telephone number, include area code and extension):</p> <p>A. Cognizant Federal Agency: Office of Naval Research University Business Affairs 800 North Quincy Street Arlington, VA 22217-5660 Office of Naval Research Seattle Regional Office 1107 NE 45th Street, Suite 350 Seattle, WA 98105-4631</p> <p>B. Cognizant Federal Auditor: Defense Contract Audit Agency, Western Region Seattle Branch Office 14240 Interurban Avenue South, Suite 156 Seattle, WA 98168</p>

FORM CASB DS-2 (REV 10/94)

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

COVER SHEET AND CERTIFICATION

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:

2/5/04
Joseph Beedle
(Signature)

Joseph Beedle
(Print or Type Name)

Vice President for Finance
(Title)

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 1</u> PART I - GENERAL INFORMATION NAME OF REPORTING UNIT University of Alaska Statewide System
Item No.	Item Description	
1.2.0 Revised	<p><u>Integration of Cost Accounting with Financial Accounting</u> Cost accounting is generally integrated with the financial records, except for certain information used to prepare the facilities and administrative (F & A) cost report. The F & A cost report is prepared to conform to OMB Circular A-21 (A-21), Cost Principles for Educational Institutions. The financial records and reports of the University of Alaska are maintained to conform to generally accepted accounting principles for educational institutions and the State of Alaska budget structure. The A-21 definitions of direct and F & A cost pools do not always match the activity definitions that must be used for university accounting and reporting. For this reason, a special analysis of financial activity is developed as needed to permit the determination of expenses in accordance with A-21. This analysis reclassifies expenditures from the accounting system into the detail records used to prepare the F & A cost report.</p>	
1.3.0 Revised	<p><u>Unallowable Costs</u> Unallowable costs, including directly associated costs, are identified in several ways. Unallowable costs such as advertising, alcoholic beverages, and bad debt expense are identified in the accounting system by specific account codes. Unallowable activities costs, such as alumni and public relations expenses, are identified in the accounting system by program codes designating that organization (org) account as unallowable.</p> <p>Other unallowable costs are not formally identified in the accounting system, such as personal use of institution furnished automobiles, defense and prosecution of criminal and civil proceedings, and housing and personal living expenses of university officers. This information is obtained by query of responsible individuals; their written response is maintained in the F & A cost working papers.</p> <p>In addition, the Grants and Contracts Services office monitors compliance with A-21 and federal agency policy for sponsored projects, such as determination of allowability of pre-agreement costs. Travel and cost transfers are reviewed for propriety by the Financial Services office and/or the Grants and Contracts Services office depending on nature and complexity of the transaction. Shifting of losses on sponsored agreements to other sponsored agreements is prohibited.</p>	
1.3.1 Revised	<p><u>Treatment of Unallowable Costs</u> Unallowable costs are identified as described above. Unallowable expenses included in facility or administrative cost pools are treated as an exclusion not subject to F & A cost allocation. Unallowable expenses included in direct cost objectives remain in the direct cost bases. Unallowable activities are reclassified to "Other Institutional Activities" (OIA), as required under A-21.B.1.d. Expenditures accounted for as OIA receive an appropriate allocation of F & A costs through the procedures outlined in A-21 which allocate F & A expenses on the basis of Modified Total Direct Costs (MTDC). Space used by offices and departments specifically identified as unallowable is also classified as used by OIA, which causes Depreciation, and Operations and Maintenance expenses to be allocated to this activity. The use of these procedures assures that an appropriate share of F & A costs are allocated to unallowable activities and that other activities are not charged for support costs that benefit unallowable expenses and activities.</p>	