

COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS

CASB DS-2

Revision #3 Effective Date 7/1/01

University of Alaska Fairbanks

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATION INSTITUTIONS	INDEX
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	COVER SHEET AND CERTIFICATION
0.1	Educational Institution (a) Name University of Alaska Fairbanks (UAF) (b) Street Address 910 Yukon Drive, Suite 207 (c) City, State and ZIP Code Fairbanks, Alaska 99775 (d) Division or Campus of (if applicable)
0.2	Reporting Unit is: (Mark one.) A. _____ Independently Administered Public Institution B. _____ Independently Administered Nonprofit Institution C. <u> X </u> Administered as Part of a Public System D. _____ Administered as Part of a Nonprofit System E. _____ Other (Specify) _____
0.3	Official to Contact Concerning this Statement: (a) Name and Title Joseph Beedle, Vice President for Finance, SW (b) Phone Number (include area code and extension) (907) 474-7711
0.4	Statement Type and Effective Date: A. (Mark type of submission. If a revision, enter number) (a) _____ Original Statement (b) <u> X </u> Amended Statement; Revision No. <u> 3 </u> Effective Date of this Statement: (Specify) <u> 7/1/01 </u>
0.5	Statement Submitted To (Provide office name, location and telephone number, include area code and extension): A. Cognizant Federal Agency: Office of Naval Research Office of Naval Research University Business Affairs Seattle Regional Office 800 North Quincy Street 1107 NE 45th Street, Suite 350 Arlington, VA 22217-5660 Seattle, WA 98105-4631 B. Cognizant Federal Auditor: Defense Contract Audit Agency, Western Region Silicon Valley Branch Office 2900 Gordon Avenue, Suite 200 Santa Clara, CA 95051-0718

<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 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: _____</p> <p>_____</p> <p align="center">(Signature)</p> <p align="center">Joseph Beedle (Print or Type Name)</p> <p align="center">Vice President for Finance (Title)</p> <p>THE PENALTY FOR MAKING A FALSE STATEMENT IN THIS DISCLOSURE IS PRESCRIBED IN 18 U.S.C. § 1001</p>

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATION INSTITUTIONS		PART I - GENERAL INFORMATION
		NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
1.1.0 Revised	<p>Revision Number 3 Effective Date: 07/01/01</p> <p>Item 1.1.0 was modified to reflect a change in our cost accounting system for recording expenses to a full accrual system from an "Other" system.</p> <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. <u> X </u> Accrual</p> <p>B. _____ Modified Accrual Basis¹</p> <p>C. _____ Cash Basis</p> <p>Y. _____ Other¹</p>	

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¹ Describe on a Continuation Sheet.

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATION INSTITUTIONS		Continuation Sheet #1
		PART I - GENERAL INFORMATION
		NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
1.1.0 Revised	Revision Number 3 Effective Date: 07/01/01 Item 1.1.0 Description of Cost Accounting System on Continuation Sheet #1 was deleted.	

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 1</u> PART II – DIRECT COSTS NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
	Revision Number 3	Effective Date: 07/01/01
	Item 2.3.2 was revised to include new inventories. The list of inventories is renumbered accordingly.	
	Item 2.4.0 was revised to reflect the correct bargaining unit representation for classified employees (#2), add the non-union faculty job group (#5), and describe the adjunct faculty groups as two distinct groups – union and non-union (#8 and #9). The list of job groups is renumbered accordingly.	
2.3.2	<u>Inventory Requisitions from Central or Common, Institution-owned Inventory:</u>	
Revised	The university manages several inventories that may have withdrawals charged to projects:	
	1. School of Fisheries and Ocean Sciences (SFOS) Stockroom Recharge – items priced at average cost plus recharge markup.	
	2. Geophysical Institute Electronic Supply Shop Recharge – items priced at FIFO cost plus recharge markup.	
	3. Physical Plant Warehouse Recharge – items are priced at average cost (total cost of items on hand divided by number of items) plus recharge markup.	
Addition	4. Physical Plant Other Recharge – items in shop stock inventory are priced at average cost (total cost of items on hand divided by number of items) plus recharge markup.	
Addition	5. Bookstore Auxiliary – inventory is on the “Cost of Goods to Retail” method, projects are charged retail price.	
Addition	6. University Technology Center Auxiliary – items priced at cost plus markup.	
Addition	7. University of Alaska Press Auxiliary – items priced at the lower of cost or market.	
	8. Utilities Inventory – items priced at cost plus average unit freight cost.	
	9. Other Inventory – items priced at cost plus shipping by unit.	
2.4.0	<u>Description of Direct Personal Services</u>	
Revised	Direct personal services costs consist of salaries and wages plus fringe benefits. See Item 2.6.0 for a description of fringe benefits.	
	Personal service costs are currently categorized by the following job groups:	
	1. Classified – non-union employees in nonexempt positions as defined by the Fair Labor Standards Act and the Alaska Wage and Hour Law.	
Revision	2. Classified, AHECTE – employees in nonexempt positions defined by the Fair Labor Standards and the Alaska Wage and Hour Law represented by the Alaska higher Education Crafts and Trades bargaining unit.	
	3. Administrative/Professional/Technical (APT) Staff – salaried or exempt positions as defined by the Fair Labor Standards Act.	
Addition	4. Executive Staff – positions designated as such in accordance with Board of Regents policy.	
	5. Faculty, non-union – exempt positions with an appointment to academic rank or special academic rank.	
	6. Faculty, UNAC – exempt employees with an appointment to academic rank or special academic rank, represented by the United Academics bargaining unit.	
	7. Faculty, ACCFT - exempt employees with an appointment to academic rank or special academic rank, represented by the Alaska Community Colleges Federation of Teachers bargaining unit.	
Revision	8. Adjunct Faculty, non-union - employees holding temporary assignments based solely upon, or incorporating, scheduled faculty duties	
Addition	9. Adjunct Faculty, UNAC - employees holding temporary assignments based solely upon, or incorporating, scheduled faculty duties represented by the United Academics bargaining unit.	
	10. Temporary/FICA students – employees who have less than a six-month appointment and are not included in any other job group, or employees who are students subject to FICA tax.	
	11. Extended Temporary – employees exceeding 1039 hours worked in a temporary position.	
	12. Students – employees who meet the IRS definition of a full-time student and are exempt from FICA tax.	

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COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet #2</u> PART II – DIRECT COSTS
		NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
	Revision Number 3	Effective Date: 07/01/01
	<p>Effective for FY99, dependent tuition waivers were made unallowable per A-21. Dependent tuition waiver costs are no longer recovered through our staff benefit rates so Item 2.6.0 was revised to delete the reference to dependent tuition waivers in the list of staff benefits recovered through the computed staff benefit rate.</p> <p>Item 2.6.1 was revised to allow for the use of other methodologies approved by the cognizant agency to liquidate fringe benefit over and under-recoveries.</p>	
2.6.0 Revised	<p><u>Description of Direct Fringe Benefits Costs</u> The following comprise the leave benefits which are recovered from sponsored projects and all other cost objectives through the computed leave benefit rate:</p> <p>A. Compensated absences – annual leave, holidays, sick leave, jury duty, military, and other miscellaneous leave.</p> <p>The following comprise the staff benefits which are recovered from sponsored projects and all other cost objectives through the computed staff benefit rate:</p> <p>A. Retirement – PERS, TRS, ORP, pension, Medicare and social security B. Health care C. Disability (LTD) and life insurance D. Unemployment E. Worker’s compensation F. Employee tuition waivers G. Labor relations H. Consulting and other costs related to fringe benefits</p>	
Revision		
2.6.1 Revised	<p><u>Method of Charging Direct Fringe Benefits</u> Leave and staff benefits are recovered from sponsored projects and all other cost objectives through the use of leave and staff benefit recharge rates. The leave and staff benefit rates are established on an annual basis through negotiation with our federal cognizant agency based on projected expenses. Any over or under-recovery is carried forward and liquidated in the next rate negotiation cycle or as approved by the cognizant agency.</p>	

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III – FACILITIES AND ADMINISTRATIVE COSTS	
		NAME OF REPORTING UNIT University of Alaska Fairbanks	
Item No.	Item Description		
	Revision Number 3		Effective Date: 07/01/01
3.1.0 Revised	<p>Item 3.1.0 is revised to reflect a change in allocation base code for equipment and to note that cross allocation techniques are used for operations and maintenance and general administrative indirect cost categories.</p> <p><u>Indirect Cost Categories - Accumulation and Allocation.</u> This item is directed at the identification, accumulation and allocation of all facilities and administrative costs of the institution. (Under the column heading, “Accumulation Method,” insert “Yes” or “No” to indicate if the cost elements included in each facilities and administrative 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 facilities and administrative 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 facilities and administrative cost category to applicable facilities and administrative cost categories, facilities and administrative 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 facilities and administrative cost categories to indicate the sequence of the allocation process. If cross-allocation techniques are used, insert “CA.” If an facilities and administrative cost category listed in this section is not used, insert “NA.”)</p>		
		<u>Accumulation Method</u>	<u>Allocation Base Code</u>
	<u>Indirect Cost Category</u>		<u>Allocation Sequence</u>
Revision	(a) Deprecation/Use Allowance/Interest	<u>No</u>	<u>L</u>
	Building	<u>No</u>	<u>Y</u>
	Equipment	<u>No</u>	<u>P</u>
	Capital Improvements to Land ¹	<u>No</u>	<u>Y</u>
	Interest ¹	<u>Yes</u>	<u>P</u>
	(b) Operation and Maintenance	<u>Yes</u>	<u>C</u>
	(c) General Administration and General Expense	<u>Yes</u>	<u>Y</u>
	(d) Departmental Administration	<u>Yes</u>	<u>Y</u>
	(e) Sponsored Projects Administration	<u>Yes</u>	<u>Y</u>
	(f) Library	<u>Yes</u>	<u>A</u>
	(g) Student Administration and Services	<u>Yes</u>	<u>A</u>
	(h) Other ¹	<u>NA</u>	<u>NA</u>

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¹Describe on Continuation Sheet

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 1</u> PART III – FACILITIES AND ADMINISTRATIVE COSTS					
		NAME OF REPORTING UNIT University of Alaska Fairbanks					
Item No.	Item Description						
	Revision #3 Effective Date: 7/01/01						
	<p>Item 3.1.0 was modified to reflect a change in depreciation expense. Depreciation expense is now recorded in the formal accounting system supported by detailed subsidiary records. Certain multi-functional buildings are depreciated on a component basis.</p> <p>Item 3.2.0 was revised to add the Utilities service center. The Technology Center service center is deleted from the list because it is now an auxiliary. The Telephone service center was renamed Communications. The list of service centers was reordered alphabetically. Item (4) is modified to allow for special rates for extraordinary use.</p>						
3.1.0 Revised	<p><u>Indirect Cost Categories - Accumulation and Allocation</u> Depreciation/Use Allowances/Interest Accumulation: Depreciation expense is captured in the formal accounting system in aggregate by asset type. The cost of Buildings, Improvements Other Than Buildings, Equipment, and Other Capitalizable Assets are accumulated in the formal accounting system. Detailed subsidiary records are maintained and reconciled to the formal accounting system for both cost and depreciation. Building depreciation is calculated in detailed subsidiary records. Depreciation for some multi-functional buildings is calculated on a component basis. The subsidiary depreciation records are utilized in conjunction with space survey data to allocate costs to cost objectives based on square footage.</p> <p>Interest expense is captured in the formal accounting system in aggregate by bond issue. Working papers are used to determine allowable interest. Allowable interest is classified as O & M.</p>						
3.2.0 Revised	<p><u>Service Centers</u> 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 facilities and administrative cost:</p>						
Revision		(1)	(2)	(3)	(4)	(5)	(6)
	<u>Communications</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>GI Electronic Shop</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>GI Machine Shop</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>GI Computer Resource Center</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>IAB Toolik Lake</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>Print Services</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>Physical Plant</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>Physical Plant Warehouse</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>Planning and Project Services</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
Addition	<u>SFOS Ship</u>	<u>A</u>	<u>A</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
	<u>Utilities</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>B</u>	<u>A</u>	<u>Y</u>
Revision	<p>(4) User charges code - some users are charged at different rates than other users: The price charged is generally limited to recovery of the direct cost of providing the product or service, equipment depreciation, and departmental facilities and administrative cost. Upon specific approval from the Controller, the internal price may include a provision for institutional facilities and administrative costs. However, sales to external parties must include a provision for institutional facilities and administrative costs and may include margin or profit, if appropriate. Recharge Center documentation must include substantiation for all costs of providing the service and the relationship of the fee or price charged to such costs. In general, all internal users must be charged at the same rates and in the same manner; specific rates may be established for extraordinary use. The regional campus CFO or designee must approve all rates in advance.</p> <p>(6) Variance code - other: Prices are set to achieve a targeted break-even for the Recharge Center's normal operating cycle. Accumulated excess/deficit of revenues over expenses will be carried forward each year, and the price of the center's product or service shall be adjusted to eliminate any carry forward amounts.</p>						

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 2</u>
		PART III – FACILITIES AND ADMINISTRATIVE COSTS
		NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
	Revision Number 3	Effective Date: 07/01/01
	<p>The first paragraph of item 3.4.0 is revised to modify the lists of expenses that are excluded from the facilities and administrative cost pools. This change was necessary to correct an error in applying all MTDC exclusions to the facilities and administrative cost pools as well as the direct bases. Item 3.4.0 relating to 3.1.0(a) 1 is revised to include information concerning componentization of multi-functional buildings. Item 3.4.0 relating to 3.1.0(a) is revised to add the Other Capitalizable Asset class. The language in item 3.4.0 relating to 3.1.0(b) was revised to correct an inconsistency in the treatment of O&M costs incurred by organized research and academic units. The O&M specific function subpool includes O&M costs incurred by any unit, which directly support specific functions within the unit. In addition, the description in item 3.4.0 relating to 3.1.0 (b) 2 was revised to include interest costs associated with a particular building in the costs included in this subpool. The narrative concerning bid and proposal work in item 3.4.0 relating to 3.1.0 (d) is rewritten to clarify that renewal proposals that are specifically required by an existing contract are normally treated as a direct cost activity.</p>	
3.4.0 Revised	<p><u>Composition of Indirect Cost Pools</u> Each facilities and administrative cost pool includes all salaries and wages, fringe benefits, materials and supplies, services, and travel. Equipment, capital expenditures, financial aid, and any unallowable expenses are excluded.</p>	
Revision	<p>3.1.0(a) Depreciation/Use Allowance/Interest</p> <ol style="list-style-type: none"> 1. The capitalized value, less federal funding, is used as the basis for building depreciation. In accordance with A-21, the cost of a building may be treated as a single asset or may be divided into more detailed components. The cost components of buildings which are divided into more detailed categories may include: construction exterior, construction interior, elevators, fire protection, floor covering, foundation, heating ventilation AC, lighting electrical, piping plumbing, roof cover, roof structure, site preparation, steel frame, and walls exterior. Building and component valuation and federal funding amounts are determined from subsidiary records which are reconciled to the formal accounting system. 2. Equipment items, less federal funded items and items not in use, are depreciated. Capitalized equipment consists of tangible, nonexpendable personal property with an acquisition cost of \$2,500 or more, and a useful life greater than one year. 3. The capitalized value of Improvements Other Than Buildings (IOTB), less federal funding, is used as the basis for depreciation. Valuation and federal funding amounts are determined from subsidiary records which are reconciled to the formal accounting system. 4. The capitalized value, less federal funding, of Other Capitalizable Assets is used as the basis for depreciation. Valuation and federal funding amounts are determined from subsidiary records which are reconciled to the formal accounting system. 5. Construction interest is capitalized consistent with generally accepted accounting principles and included above in the building valuation. Other interest on capitalized assets which is determined to be allowable in accordance with OMB Circular A-21, section J.22, is included in the Operations and Maintenance pool. Allowable interest consists of interest paid to an external party which is allocable and associated with the following assets: <ol style="list-style-type: none"> (a) Buildings acquired or completed on or after July 1, 1982. (b) Major reconstruction and remodeling of existing buildings completed on or after July 1, 1982. (c) Acquisition or fabrication of capital equipment completed on or after July 1, 1982, costing \$10,000 or more, if agreed to by the federal cognizant agency. 	
Addition		
	(3.4.0 continued on next page)	

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COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 3</u>
		PART III – FACILITIES AND ADMINISTRATIVE COSTS
		NAME OF REPORTING UNIT
		University of Alaska Fairbanks
Item No.	Item Description	
	Revision Number 3	Effective Date: 07/01/01
3.4.0 Revised	<u>Composition of Indirect Cost Pools (continued)</u>	
Revision	<p>3.1.0(b) Operations and Maintenance Operations and maintenance is subdivided into four pools:</p> <ol style="list-style-type: none"> 1. Costs readily identified with a specific function. This subpool includes costs incurred by academic and organized research units that directly support specific functions, property claim payments, certain interest costs, maintenance and repair projects more closely identifiable with a function than a building (such as campus-wide classroom repairs), and receipts from non-university users for space rental (offset against OIA allocation). 2. Costs identified by building. These are primarily custodial and maintenance and repair costs. This subpool may include certain interest costs. The building breakdown is per the Physical Plant work order system. 3. Costs identified with improvements other than buildings. This subpool includes care of grounds, snow removal, and maintenance and repairs to parking lots, street lighting, headbolt heaters, etc. 4. Costs which cannot be identified with a specific function, building, or with improvements other than buildings. This subpool includes Physical Plant administration, utilities, central receiving, fire and security, property insurance, and depreciation expense. 	
Revision	<p>3.1.0(d) Departmental Administration Costs incurred for administrative and supporting service that benefit common or joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units. Includes salaries and fringe benefits attributable to the administrative work (including new bid and proposal preparation but not including costs attributable to preparation of renewal proposals specifically required by existing contracts which are normally part of direct cost activities) of faculty and other professional personnel conducting research and/or instruction at the rate of 3.6% of MTDC. Other administrative and supporting expenses include salaries of secretarial and clerical staff, accounting staff, and administrative officers, office supplies, phone rental charges, and memberships. This expense category also includes an appropriate allocation of general and administrative expenses, operations and maintenance expenses, and depreciation.</p>	

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		Continuation Sheet # 4 PART III – FACILITIES AND ADMINISTRATIVE COSTS NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
	Revision Number 3	Effective Date: 07/01/01
	<p>Item 3.5.0 was revised with respect to 3.1.0(a) concerning buildings and equipment. Language was added to the buildings section with regard to joint use space. Joint use space is allocated to benefiting functions based on salaries and wages of departments utilizing space. The current basis used to allocate depreciation for equipment is a combination of usage and square footage rather than just usage. A section was added to describe the allocation base used for Other Capitalizable Assets. Item 3.5.0 was also revised with respect to 3.1.0(c), 3.1.0(d) and 3.3.0. The General Administrative section, 3.1.0(c), is revised to clarify that long-term space rental costs are excluded. Long-term rental costs related to equipment rentals are now included in the MTC basis. The Department Administration section, 3.1.0(d) is revised to reflect a change in allocation methodology used to ensure consistency in the allocation of departmental administration for both academic and research units. The allocation methodology for departmental administration in academic units now matches the methodology used for research units. The Modified Total Direct Cost Basis section, 3.3.0, is modified to clarify that long-term rental costs specifically refer to long-term space rental costs.</p>	
3.5.0 Revised Revision	<p><u>Composition of Allocation Bases</u></p> <p>3.1.0(a) Depreciation/Use Allowance/Interest</p> <p>Buildings - Square Footage (L) :</p> <p>All assignable square footage of benefiting direct and indirect activities is included. Nonassignable areas such as stairwells, rest rooms, and mechanical rooms are excluded. The square footage of each room is assigned to direct and indirect cost functions based on a biannual survey of the users of the space. Joint use space is allocated to the benefiting functions based on the salaries and wages profile of the departments utilizing the space.</p>	
Revision	<p>Equipment - Other (Y):</p> <p>Equipment is allocated to benefiting direct and indirect activities based a combination of usage and square footage. The department responsible for individual equipment items is identified through the property system record which includes a departmental org code for each item of equipment. Equipment depreciation costs are summarized by department and then allocated to the benefiting direct and indirect activities of the department on a basis of their assignable square footage and the biannual survey of the users of the space.</p>	
Addition	<p>Improvements Other Than Buildings (IOTB) - More Than One Base (P):</p> <p>Generally, depreciation expense is calculated and allocated based on full-time equivalent employees (H) and full-time equivalent students (J). The employee FTE is further allocated to the benefiting direct and indirect activities based upon salaries and wages (E); the student FTE is allocated entirely to instruction. When an Improvement is directly identifiable to a specific activity (i.e. the Seward Marine dock is directly identifiable with SFOS Ship activity), the depreciation is allocated entirely to that activity.</p> <p>Full-time equivalent employees (H) is calculated based on 2080 hours per fiscal year. Full-time equivalent students (J) is calculated based on 15 undergraduate credit hours or 12 graduate credit hours for fall, spring, and summer semesters. Salaries and wages (E) includes direct labor costs plus leave accruals.</p>	
	<p>Other Capitalizable Assets (OCA) – Usage (M)</p> <p>Other capitalizable assets are allocated to benefiting direct and indirect activities based on subsidiary records which include information concerning location and usage for each item.</p> <p>Interest - Other (Y):</p> <p>Interest is allocated as part of the Operations and Maintenance pool, see below.</p>	
	(3.5.0 continued on next page)	

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COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 5</u>
		PART III – FACILITIES AND ADMINISTRATIVE COSTS
		NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
	Revision Number 3	Effective Date: 07/01/01
3.5.0	<u>Composition of Allocation Bases (continued)</u>	
Revision	3.1.0(c) General Administration and General Expense (GA) - Modified Total Cost (MTC) Basis (C): Prorated to all activities except O&M and GA based on MTC. MTC includes all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$25,000. Equipment, capital expenditures, charges for patient care and tuition remission, long-term space rental costs, scholarships, and fellowships, as well as the portion of each subgrant and subcontract in excess of \$25,000 is excluded.	
Revision	3.1.0(d) Departmental Administration (DA) - Other (Y): DA is accumulated in the formal accounting system in academic and research unit departmental administrative orgs. For both academic and research units, DA is allocated to the benefiting direct activities based on MTDC (D), or in limited cases, specific identification. When a particular cost is determined to benefit only research, instruction, or other institutional activities, it will be specifically identified in the facilities and administrative cost working papers.	
Revision	3.3.0 Modified Total Direct Cost (MTDC) Basis (D): MTDC includes all salaries and wages, fringe benefits, materials and supplies, services, travel, and subgrants and subcontracts up to the first \$25,000. Equipment, capital expenditures, charges for patient care and tuition remission, long-term space rental costs, scholarships, and fellowships, as well as the portion of each subgrant and subcontract in excess of \$25,000 is excluded.	

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV – DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT University of Alaska Fairbanks			
Item No.	Item Description				
4.1.0 Revised	Revision Number 3 Effective Date: 07/01/01 Item 4.1.0 has been revised under item (i) to indicate the addition of another asset category which is described on a continuation sheet. <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)				
Revision	Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)
	(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>B</u>	<u>A</u>	<u>B</u>
	(e) Equipment	<u>A</u>	<u>A</u>	<u>A</u>	<u>B</u>
	(f) Furniture and Fixtures	<u>A</u>	<u>A</u>	<u>A</u>	<u>B</u>
	(g) Automobiles and Trucks	<u>A</u>	<u>A</u>	<u>A</u>	<u>B</u>
	(h) Tools & Physical Plant Machines	<u>A</u>	<u>A</u>	<u>A</u>	<u>B</u>
	(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.)	<u>Y</u>	_____	_____	_____
	<u>Column (1) - Depreciation Method Code</u>		<u>Column (2) - Useful Life Code</u>		
	A. Straight Line		A. Replacement Experience		
	B. Expensed at Acquisition		B. Term of Lease		
	C. Use Allowance		C. Estimated service life		
	Y. Other or more than one method ¹		D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21		
			Y. Other or more than one method ¹		
	<u>Column (3) - Property Unit Code</u>		<u>Column (4) - Residual Value Code</u>		
	A. Individual units are accounted for separately		A. Residual value is deducted		
	B. Applied to groups of assets with similar service lines		B. Residual value is not deducted		
	C. Applied to groups of assets with varying service lives		Y. Other or more than one method ¹		
	Y. Other or more than one method ¹				

FORM CASB DS-2 (REV 10/94)

¹Describe on Continuation Sheet

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV – DEPRECIATION AND USE ALLOWANCES
		NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
4.3.0 Revised	<p style="text-align: right;">Effective Date: 07/01/01</p> <p>Revision Number 3</p> <p>Effective July 1, 1998, gains and losses on disposition of depreciable property are allowable costs per A-21. Item 4.3.0 is changed to reflect a change in accounting practice involving treatment of gains and losses on disposition of depreciable property due to this change. Gains and losses will no longer be excluded from the determination of sponsored agreement costs, but will be credited or charged to the same pools to which depreciation of the assets was originally charged.</p> <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. _____ Excluded from determination of sponsored agreements costs B. <u> X </u> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged C. _____ Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved D. _____ Not accounted for separately, but reflected in the depreciation reserve account Y. _____ Others¹ Z. _____ Not applicable</p>	

FORM CASB DS-2 (REV 10/94)

¹Describe on Continuation Sheet

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		Continuation Sheet #1 PART IV – DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT University of Alaska Fairbanks				
Item No.	Item Description					
4.1.0 Revised	Revision Number 3 Effective Date: 07/01/01 Item 4.1.0 is modified to add an existing asset category, Other Capitalizable Assets. This asset was already described in previous disclosure statements in 4.4.0 but had not been included here. <u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u>					
Addition	(i)	Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)
		Other Capitalizable Assets	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI – DEFERRED COMPENSATION AND INSURANCE COSTS	
		NAME OF REPORTING UNIT University of Alaska Fairbanks	
Item No.	Item Description		
6.1.1 Revised	Revision Number 3		Effective Date: 07/01/01
	Item 6.1.1 is modified to reflect an increase in the number of defined contribution pension plans available to employees.		
	<u>Defined-Contribution Pension Plans.</u> Identify the types and number of pension plans whose costs are charged to Federally sponsored agreements. (Mark applicable line(s) and enter number of plans.)		
		<u>Type of Plan</u>	<u>Number of Plans</u>
	A.	<input type="checkbox"/> Institution employees participate in State/Local Government Retirement Plan(s)	_____
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>4</u>	
C.	<input type="checkbox"/> Institution has its own Defined-Contribution Plan(s) ¹	_____	

FORM CASB DS-2 (REV 10/94)

¹ Describe on Continuation Sheet

COST ACCOUNT STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 1</u> PART VI – DEFERRED COMPENSATION AND INSURANCE COSTS NAME OF REPORTING UNIT University of Alaska Fairbanks
Item No.	Item Description	
	Revision Number 3	Effective Date: 07/01/01
6.4.0 Revised	<p>Item 6.4.0 is modified to include specific reference to marine coverage. This change is made for clarification purposes and does not reflect a change in the self-insurance program. In addition, the description of marine coverage under item 6.4.1 is modified to reflect that the full cost of marine coverage is borne by one organizational unit.</p> <p><u>Self-Insurance Programs (Workers' Compensation, Liability, and Casualty Insurance)</u> The university is self-insured for basic automobile, workers' compensation, marine, general liability, and property claims. Insurance coverage is purchased for amounts in excess of the basic self-insurance program. Liabilities are established, based on external actuarial estimates, to cover estimates for specific reported losses, estimates for unreported losses based upon past experience modified for current trends, and estimates of expenses for investigating and settling claims. Insurance programs are administered at the system level; the costs are allocated to each major campus.</p>	
6.4.1 Revised	<p><u>Worker's Compensation and Liability</u></p> <p><u>Worker's Compensation Coverage</u> The liability is accrued at full value. Costs include claims, premiums, required physical exam costs, the occupational health nurse program, a prorated portion of risk management operational costs and professional fees, and loss prevention costs. These costs, less a credit for estimated interest earnings, are funded through the UA staff benefit recharge rate. See Item 2.6.1.</p> <p><u>Liability Coverage</u> The liability is accrued at full or undiscounted value. Auto and general liability self-insurance costs include claims, premiums, CDL operator substance abuse testing, a prorated portion of risk management operational costs and professional fees, and loss prevention costs. General liability costs, less a credit for estimated interest earnings, are allocated to the major campuses based on risk exposure adjusted for loss experience. Auto liability costs are allocated similarly except for the CDL operator substance abuse testing which is allocated based on the number of employees tested in the prior fiscal year.</p>	
Revision	<p><u>Marine Coverage</u> Marine coverage is direct charged to the Institute of Marine Science Ship Operations because this activity receives virtually all of the benefit of such coverage.</p>	