

**UNIVERSITY OF DELAWARE**  
**COST ACCOUNTING STANDARDS BOARD**  
**DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS**  
**CASB DS-2**

**Original - Effective: 12/23/1997**

**Revision #1 - Effective: 06/30/2011**

**Revision #2 – Effective: 07/01/2016**

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

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

**GENERAL INSTRUCTIONS**

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

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

**GENERAL INSTRUCTIONS**

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

**ATTACHMENT - Blank Continuation Sheet**

**FORM CASB DS-2 (REV 10/94)**

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>	<b>COVER SHEET AND CERTIFICATION</b>
0.1	<p style="text-align: right; margin: 0;">Revision Number 2 – Effective Date 07/01/2016</p> <p>Educational Institution</p> <p>(a) Name <span style="float: right;">University of Delaware</span></p> <p>(b) Street Address <span style="float: right;">220 Hullihen Hall</span></p> <p>(c) City, State and ZIP Code <span style="float: right;">Newark, DE 19716-0101</span></p> <p>(d) Division or Campus of (if applicable) <span style="float: right;">Main</span></p>
0.2	<p>Reporting Unit is: (Mark one.)</p> <p>A. <input checked="" type="checkbox"/> Independently Administered Public Institution</p> <p>B. <input type="checkbox"/> Independently Administered Nonprofit Institution</p> <p>C. <input type="checkbox"/> Administered as Part of a Public System</p> <p>D. <input type="checkbox"/> Administered as Part of a Nonprofit System</p> <p>E. <input type="checkbox"/> Other (Specify) _____</p>
0.3	<p>Official to Contact Concerning this Statement:</p>
0.4	<p>(a) Name and Title</p> <p style="padding-left: 40px;">Greg S. Oler, Vice President for Finance and Deputy Treasurer</p> <p>(b) Phone Number (include area code and extension)</p> <p style="padding-left: 40px;">(302) 831-8913</p> <p>Statement Type and Effective Date:</p>
0.5	<p>A. (Mark type of submission. If a revision, enter number)</p> <p>(a) <input type="checkbox"/> Original Statement</p> <p>(b) <input checked="" type="checkbox"/> Amended Statement; Revision No. <input type="checkbox"/> Revision No. <input type="checkbox"/> <u>2</u></p> <p>B. Effective Date of this Statement: (Specify) 07/01/2016</p> <p>Statement Submitted To (Provide office name, location and telephone number, include area code and extension):</p> <p>A. Cognizant Federal Agency: Department of Defense Office of Naval Research 800 North Quincy Street, BCT 1, Room 717 Arlington, VA 22217-5660 (703) 696-2571</p> <p>B. Cognizant Federal Auditor: Defense Contract Audit Agency Pennsylvania Branch Parkview Tower 1150 First Avenue, Suite 900 King of Prussia, PA 19406-4031</p>

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

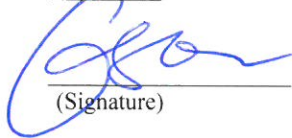
**COVER SHEET AND CERTIFICATION**

Revision Number 2 – Effective Date 07/01/2016

**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: 03/29/2018



(Signature)

Greg S. Oler  
(Print or Type Name)

Vice President for Finance and Deputy Treasurer  
(Title)

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

<b>COST ACCOUNTING STANDARDS BOARD  DISCLOSURE STATEMENT  REQUIRED BY PUBLIC LAW 100-679  EDUCATIONAL INSTITUTIONS</b>		<b>PART I - GENERAL INFORMATION  NAME OF REPORTING UNIT  UNIVERSITY OF DELAWARE</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
	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. _____ Accrual B. <input checked="" type="checkbox"/> Modified Accrual Basis <sup>1</sup> C. <input checked="" type="checkbox"/> Cash Basis Y. <input checked="" type="checkbox"/> Other <sup>1</sup>	
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. _____ Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts.) B. _____ 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. _____ Specifically identified and recorded separately in the formal financial accounting records. <sup>1</sup> B. _____ Identified in separately maintained accounting records or workpapers. <sup>1</sup> C. _____ Identifiable through use of less formal accounting techniques that permit audit verification. <sup>1</sup> D. <input checked="" type="checkbox"/> Combination of A, B or C <sup>1</sup> E. _____ Determinable by other means. <sup>1</sup>	
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.)	

FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet.

<b>COST ACCOUNTING STANDARDS BOARD  DISCLOSURE STATEMENT  REQUIRED BY PUBLIC LAW 100-679  EDUCATIONAL INSTITUTIONS</b>		<b>PART I - GENERAL INFORMATION  NAME OF REPORTING UNIT  UNIVERSITY OF DELAWARE</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
1.4.0	<u>Cost Accounting Period:</u> <b>7/1 - 6/30</b> (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.	

FORM CASB DS-2 (REV 10/94)



<b>COST ACCOUNTING STANDARDS BOARD  DISCLOSURE STATEMENT  REQUIRED BY PUBLIC LAW 100-679  EDUCATIONAL INSTITUTIONS</b>		<b>PART II - DIRECT COSTS  NAME OF REPORTING UNIT  UNIVERSITY OF DELAWARE</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
	Instructions for Part II	
	Institutions should disclose what costs are, or will be, charged directly to Federally sponsored agreements or similar cost objectives as Direct Costs. It is expected that the disclosed cost accounting practices (as defined at 48 CFR 9903.302-1) for classifying costs either as direct costs or indirect costs will be consistently applied to all costs incurred by the reporting unit.	
2.1.0 Revised	<u>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For all major categories of cost under each major function or activity such, as instruction, organized research, other sponsored activities and other institutional activities, describe on a continuation sheet, your criteria for determining when costs incurred for the same purpose, in like circumstances, are treated either as direct costs only or as indirect costs only with respect to final cost objectives. Particular emphasis should be placed on items of cost that may be treated as either direct or indirect costs (e.g., Supplies, Materials, Salaries and Wages, Fringe Benefits, etc.) depending upon the purpose of the activity involved. Separate explanations on the criteria governing each direct cost category identified in this Part II are required. Also, list and explain if there are any deviations from the specified criteria.)	
2.2.0 Revised	<u>Description of Direct Materials.</u> All materials and supplies directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the principal classes of materials, which are charged as direct materials and supplies.)	
2.3.0	<u>Method of Charging Direct Materials and Supplies.</u> (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)	
2.3.1	<u>Direct Purchases for Projects are Charged to Projects at:</u> A. _____ Actual Invoiced Costs B. <u>  X  </u> Actual Invoiced Costs Net of Discounts Taken Y. _____ Other(s) <sup>1</sup> Z. _____ Not Applicable	
2.3.2	<u>Inventory Requisitions from Central or Common, Institution-owned Inventory.</u> (Identify the inventory valuation method used to charge projects): A. _____ First In, First Out B. _____ Last In, First Out C. _____ Average Costs <sup>1</sup> D. _____ Predetermined Costs <sup>1</sup> Y. <u>  X  </u> Other(s) <sup>1</sup> Z. _____ Not Applicable	

FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE			
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016				
2.4.0	<u>Description of Direct Personal Services.</u> All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal service costs within each major institutional function or activity that are charged as direct personal services.)				
2.5.0	<u>Method of Charging Direct Salaries and Wages.</u> (Mark the appropriate line(s) for each Direct Personal Services Category to identify the method(s) used to charge direct salary and wage costs to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, fully describe on a continuation sheet, the applicable methods used.)				
		<u>Direct Personal Services Category</u>			
		<u>Faculty</u> (1)	<u>Staff</u> (2)	<u>Students</u> (3)	<u>Other<sup>1</sup></u> (4)
	A. Payroll Distribution Method (Individual time card/actual hours and rates)	_____	_____	_____	_X_
	B. Plan - Confirmation (Budgeted, Planned or assigned work activity, Updated to reflect significant changes)	_X_	_X_	_X_	_____
	C. After-the-fact Activity Records (Percentage Distribution of employee activity)	_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) <sup>1</sup> _____	_____	_____	_____	_____
2.5.1	<u>Salary and Wage Cost Distribution Systems.</u>  Within each major function or activity, are the methods marked in Item 2.5.0 used by all employees compensated by the reporting unit? (If "NO", describe on a continuation sheet, the types of employees not included and describe the methods used to identify and distribute their salary and wage costs to direct and indirect cost objectives.)  _X_ Yes  _____ No				

FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet

<b>COST ACCOUNTING STANDARDS BOARD  DISCLOSURE STATEMENT  REQUIRED BY PUBLIC LAW 100-679  EDUCATIONAL INSTITUTIONS</b>		<b>PART II - DIRECT COSTS  NAME OF REPORTING UNIT  UNIVERSITY OF DELAWARE</b>	
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016		
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 Revised	<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., Group Life, Vision Plan, Disability Insurance, Group Hospital, Retired Group Hospital, Worker’s Compensation, Dental Plan, Employee Service Awards, <b>Retirement (TIAA)</b> , State Pension, Employer’s Share FICA, Fee Waiver, Special Employee Death Benefit, Flexible Benefits Cash Out, Mortgage Assistance, <b>Faculty Retirement, Payment for Unused Vacation Leave when Employee Retires or Terminates Employment, Unemployment Insurance,</b> etc.)		
2.6.1	<u>Method of Charging Direct Fringe Benefits.</u> (Describe on a continuation sheet, how each type of fringe benefit cost identified in item 2.6.0. is measured, assigned and allocated (for definitions, See 9903.302-1); first, to the major functions (e.g., instruction, research); and, then to individual projects or direct cost objectives within each function.)		
2.7.0	<u>Description of Other Direct Costs.</u> All other items of cost directly identified with Federally sponsored agreements or similar cost objectives. (List on a continuation sheet the principal classes of other costs which are charged directly, e.g., travel, consultants, services, subgrants, subcontracts, malpractice insurance, etc.)		

FORM CASB DS-2 (REV 10/94)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE																										
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016																											
2.8.0	<p><u>Cost Transfers.</u> When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants or contracts, is the credit amount for direct personal services, materials, other direct charges and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project (Consider transactions where the original charge and the credit occur in different cost accounting periods). (Mark one, if "No", explain on a continuation sheet how the credit differs from original charge.)</p> <p>_____ Yes</p> <p><u> X </u> No</p>																											
2.9.0	<p><u>Interorganizational Transfers.</u> This item is directed only to those materials, supplies, and services which are, or will be transferred to you from other segments of the educational institution. (Mark the appropriate line(s) in each column to indicate the basis used by you as transferee to charge the cost or price of interorganizational transfers or materials, supplies, and services to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, explain on a continuation sheet.)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Materials</u> (1)</th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Supplies</u> (2)</th> <th style="text-align: center; border-bottom: 1px solid black;"><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)<sup>1</sup> _____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Z. Interorganizational transfers are not applicable.</td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;"><u> X </u></td> <td style="text-align: center;"><u> X </u></td> </tr> </tbody> </table>					<u>Materials</u> (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) <sup>1</sup> _____	_____	_____	_____	Z. Interorganizational transfers are not applicable.	<u> X </u>	<u> X </u>	<u> X </u>
	<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.	_____	_____	_____																									
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Y. Other(s) <sup>1</sup> _____	_____	_____	_____																									
Z. Interorganizational transfers are not applicable.	<u> X </u>	<u> X </u>	<u> X </u>																									

FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet

<b>COST ACCOUNTING STANDARDS BOARD  DISCLOSURE STATEMENT  REQUIRED BY PUBLIC LAW 100-679  EDUCATIONAL INSTITUTIONS</b>		<b>PART III - INDIRECT COSTS  NAME OF REPORTING UNIT  UNIVERSITY OF DELAWARE</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
	<p style="text-align: center;">Instructions for Part III</p> <p>Institution should disclose how the segment’s total direct costs are identified and accumulated in specific indirect cost categories and allocated to applicable indirect cost pools and service centers within each major function or activity, how service center costs are accumulated and “billed” to users, and the specific indirect cost pools and allocation bases used to calculate the indirect cost rates that are used to allocate accumulated indirect costs to Federally sponsored agreements or similar final cost objectives. A continuation sheet should be used wherever additional space is required or when a response requires further explanation to ensure clarity and understanding.</p> <p>The following Allocation Base Codes are provided for use in connection with Items 3.1.0 and 3.3.0.</p> <ul style="list-style-type: none"> <li>A. Direct Charge or Allocation</li> <li>B. Total Expenditures</li> <li>C. Modified Total Cost Basis</li> <li>D. Modified Total Direct Cost Basis</li> <li>E. Salaries and Wages</li> <li>F. Salaries, Wages and Fringe Benefits</li> <li>G. Number of Employees (head count)</li> <li>H. Number of Employees (full-time equivalent basis)</li> <li>I. Number of Students (head count)</li> <li>J. Number of Students (full-time equivalent basis)</li> <li>K. Student Hours—classroom and work performed</li> <li>L. Square Footage</li> <li>M. Usage</li> <li>N. Unit of Product</li> <li>O. Total Production</li> <li>P. More than one base (Separate Cost Groupings)<sup>1</sup></li> <li>Y. Others<sup>1</sup></li> <li>Z. Category or Pool not applicable</li> </ul>	

**FORM CASB DS-2 (REV 10/94)**

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE																																																					
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016																																																						
3.1.0 Revised	<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>Indirect Cost Category</th> <th>Accumulation Method</th> <th>Allocation Base Code</th> <th>Allocation Sequence</th> </tr> </thead> <tbody> <tr> <td>(a) Depreciation/Use Allowance/Interest</td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>    Building</td> <td>Yes</td> <td>L</td> <td></td> </tr> <tr> <td>    Equipment</td> <td>Yes</td> <td>L</td> <td></td> </tr> <tr> <td>    Capital Improvements to Land<sup>1</sup></td> <td>Yes</td> <td>P</td> <td></td> </tr> <tr> <td>(b) Interest<sup>1</sup></td> <td>Yes</td> <td>L</td> <td></td> </tr> <tr> <td>(c) Operation and Maintenance</td> <td>Yes</td> <td>L</td> <td>2CA</td> </tr> <tr> <td>(d) General Administration and General Expense</td> <td>Yes</td> <td>D</td> <td>3CA</td> </tr> <tr> <td>(e) Departmental Administration</td> <td>No</td> <td>D</td> <td>CA</td> </tr> <tr> <td>(f) Sponsored Projects Administration</td> <td>Yes</td> <td>D</td> <td>CA</td> </tr> <tr> <td>(g) Library</td> <td>Yes</td> <td>P</td> <td>CA</td> </tr> <tr> <td>(h) Student Administration and Services</td> <td>Yes</td> <td>D</td> <td>CA</td> </tr> <tr> <td>(i) Other<sup>1</sup></td> <td>NA</td> <td>Z</td> <td></td> </tr> </tbody> </table>			Indirect Cost Category	Accumulation Method	Allocation Base Code	Allocation Sequence	(a) Depreciation/Use Allowance/Interest			1	Building	Yes	L		Equipment	Yes	L		Capital Improvements to Land <sup>1</sup>	Yes	P		(b) Interest <sup>1</sup>	Yes	L		(c) Operation and Maintenance	Yes	L	2CA	(d) General Administration and General Expense	Yes	D	3CA	(e) Departmental Administration	No	D	CA	(f) Sponsored Projects Administration	Yes	D	CA	(g) Library	Yes	P	CA	(h) Student Administration and Services	Yes	D	CA	(i) Other <sup>1</sup>	NA	Z	
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FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE																																																						
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016																																																							
3.2.0 Revised	<p><u>Service Centers.</u> Service centers are departments or functional units that perform specific technical or administrative services primarily for the benefit of other units within a reporting unit. Service Centers include “recharge centers”, “minor service centers”, and the “specialized service facilities” defined in <u>2 CFR Part 200</u>. (The codes identified below should be inserted on the appropriate line for each service center listed. The column numbers correspond to the paragraphs listed below that provide the codes. Explain on a Continuation Sheet if any of the services are charged to users on a basis other than usage of the services. Enter “Z” in Column 1, if not applicable.)</p> <table border="0"> <thead> <tr> <th></th> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> <th>(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Scientific Computer Operations</td> <td>_Z_</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> </tr> <tr> <td>(b) Business Data Processing</td> <td>_B_</td> <td>_C_</td> <td>_B_</td> <td>_A_</td> <td>_A_</td> <td>_B_</td> </tr> <tr> <td>(c) Animal Care Facilities</td> <td>_A_</td> <td>_C_</td> <td>_C_</td> <td>_A_</td> <td>_A_</td> <td>_B_</td> </tr> <tr> <td>(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet, if necessary)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Marine Research Vessel</td> <td>_A_</td> <td>_C_</td> <td>_Y_</td> <td>_B_</td> <td>_A_</td> <td>_Y_</td> </tr> <tr> <td>_____</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> <td>___</td> </tr> </tbody> </table> <p>(1) <u>Category Code:</u> Use code “A” if the service center costs are billed only as direct costs of final cost objectives; code “B” if billed only to indirect cost categories or indirect cost pools; code AC≡ if billed to both direct and indirect cost objectives.</p> <p>(2) <u>Burden Code:</u> Code “A” - center receives an allocation of all applicable indirect costs; Code “B” - partial allocation of indirect costs; Code “C” - no allocation of indirect costs.</p> <p>(3) <u>Billing Rate Code:</u> Code “A” - billing rates are based on historical costs; Code “B” - rates are based on projected costs; Code “C” - rates are based on a combination of historical and projected costs; Code “D” - billings are based on the actual costs of the billing period; Code “Y” - other (explain on a Continuation Sheet).</p> <p>(4) <u>User Charges Code:</u> Code “A” - all users are charged at the same billing rates; Code “B” - some users are charged at different rates than other users (explain on a Continuation Sheet).</p> <p>(5) <u>Actual Costs vs. Revenues Code:</u> Code “A” - billings (revenues) are compared to actual costs (expenditures) at least annually; Code “B” - billings are compared to actual costs less frequently than annually.</p> <p>(6) <u>Variance Code:</u> Code “A” - Annual variance between billed and actual cost are prorated to users (as credits or charges); Code “B” - variances are carried forward as adjustments to billing rate of future periods; Code “C” - annual variances are charged or credited to indirect costs; Code “Y” - other (explain on a Continuation Sheet).</p>								(1)	(2)	(3)	(4)	(5)	(6)	(a) Scientific Computer Operations	_Z_	___	___	___	___	___	(b) Business Data Processing	_B_	_C_	_B_	_A_	_A_	_B_	(c) Animal Care Facilities	_A_	_C_	_C_	_A_	_A_	_B_	(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet, if necessary)							Marine Research Vessel	_A_	_C_	_Y_	_B_	_A_	_Y_	_____	___	___	___	___	___	___
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE																																
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016																																	
3.3.0	<p><u>Indirect Cost Pools and Allocation Bases</u></p> <p>(Identify all of the indirect costs pools established for the accumulation of indirect costs, excluding service centers, and the allocation bases used to distribute accumulated indirect costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable indirect cost pools, enter the applicable Allocation Base Code A through P, Y, or Z, to indicate the basis used for allocating accumulated pool costs to Federally sponsored agreements or similar cost objectives.)</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Indirect Cost Pools</u></th> <th style="text-align: right;"><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td colspan="2">A. Instruction</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: right;">D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: right;">D</td> </tr> <tr> <td><input type="checkbox"/> Other<sup>1</sup></td> <td style="text-align: right;">Z</td> </tr> <tr> <td colspan="2">B. Organized Research</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: right;">D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: right;">D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Agriculture</td> <td style="text-align: right;">D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Agriculture – Off Campus</td> <td style="text-align: right;">D</td> </tr> <tr> <td colspan="2">C. Other Sponsored Activities</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: right;">D</td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: right;">D</td> </tr> <tr> <td><input type="checkbox"/> Other<sup>1</sup></td> <td style="text-align: right;">Z</td> </tr> <tr> <td colspan="2">D. Other Institutional Activities<sup>1</sup></td> </tr> <tr> <td colspan="2" style="text-align: right;">Z</td> </tr> </tbody> </table>		<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<input checked="" type="checkbox"/> On-Campus	D	<input checked="" type="checkbox"/> Off-Campus	D	<input type="checkbox"/> Other <sup>1</sup>	Z	B. Organized Research		<input checked="" type="checkbox"/> On-Campus	D	<input checked="" type="checkbox"/> Off-Campus	D	<input checked="" type="checkbox"/> Agriculture	D	<input checked="" type="checkbox"/> Agriculture – Off Campus	D	C. Other Sponsored Activities		<input checked="" type="checkbox"/> On-Campus	D	<input checked="" type="checkbox"/> Off-Campus	D	<input type="checkbox"/> Other <sup>1</sup>	Z	D. Other Institutional Activities <sup>1</sup>		Z	
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3.4.0	<p><u>Composition of Indirect Cost Pools.</u> (For each pool identified under Items 3.1.0 and 3.2.0, describe on a continuation sheet the major organizational components, subgroupings of expenses, and elements of cost included.)</p>																																	
3.5.0	<p><u>Composition of Allocation Bases.</u> (For each allocation base code used in Items 3.1.0 and 3.3.0, describe on a continuation sheet the makeup of the base. For example, if a modified total direct cost base is used, specify which of the elements of direct cost identified in Part II, Direct Costs, that are included, e.g., materials, salaries and wages, fringe benefits, travel costs, and excluded, e.g., subcontract costs over first \$25,000. Where applicable, explain if service centers are included or excluded. Specify the benefiting functions and activities included. If any cost objectives are excluded from the allocation base, such cost objectives and the alternate allocation method used should be identified. If an indirect cost allocation is based on Cost Analysis Studies, identify the study, and fully describe the study methods and techniques applied, the composition of the specific allocation base used, and the frequency of each recurring study.)</p>																																	

FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet.



<b>COST ACCOUNTING STANDARDS BOARD  DISCLOSURE STATEMENT  REQUIRED BY PUBLIC LAW 100-679  EDUCATIONAL INSTITUTIONS</b>		<b>PART III - INDIRECT COSTS  NAME OF REPORTING UNIT  UNIVERSITY OF DELAWARE</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
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"/> No<sup>1</sup></p>	

FORM CASB DS-2 (REV 10/94)

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<sup>1</sup> Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART IV - DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE																																																		
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016																																																		
4.1.0 Revised	<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="width: 45%;"></th> <th style="width: 10%; text-align: center;">Depreciation Method (1)</th> <th style="width: 10%; text-align: center;">Useful Life (2)</th> <th style="width: 10%; text-align: center;">Property Unit (3)</th> <th style="width: 15%; text-align: center;">Residual Value (4)</th> </tr> </thead> <tbody> <tr> <td>(a) Land Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(b) Buildings</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(c) Building Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(d) Leasehold Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">Y</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(e) Equipment</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(f) Furniture and Fixtures</td> <td style="text-align: center;">A</td> <td style="text-align: center;">Y</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(g) Automobiles and Trucks</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(h) Tools</td> <td style="text-align: center;">Z</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>(i) Enter Code Y on this line</td> <td style="text-align: center;">Z</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </tbody> </table> <p>if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)</p> <div style="display: flex; justify-content: space-between;"> <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 method<sup>1</sup></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 <b>2 CFR Part 200</b> Y. Other or more than one method<sup>1</sup></p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <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 lives C. Applied to groups of assets with varying service lives Y. Other or more than one method<sup>1</sup></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 method<sup>1</sup></p> </div> </div>		Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)	(a) Land Improvements	A	C	A	B	(b) Buildings	A	C	A	B	(c) Building Improvements	A	C	A	B	(d) Leasehold Improvements	A	Y	A	B	(e) Equipment	A	C	A	B	(f) Furniture and Fixtures	A	Y	A	B	(g) Automobiles and Trucks	A	C	A	B	(h) Tools	Z	_____	_____	_____	(i) Enter Code Y on this line	Z	_____	_____	_____
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<sup>1</sup> Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV - DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE	
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016		
4.1.1	<p><u>Asset Valuations and Useful Lives.</u> Are the asset valuations and useful lives used in your indirect cost proposal consistent with those used in the institution's financial statements? (Mark one.)</p> <p>A. <input checked="" type="checkbox"/> Yes B. <input type="checkbox"/> No<sup>1</sup></p>		
4.2.0	<p><u>Fully Depreciated Assets.</u> Is a usage charge for fully depreciated assets charged to Federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Yes B. <input checked="" type="checkbox"/> No</p>		
4.3.0	<p><u>Treatment of Gains and Losses on Disposition of Depreciable Property.</u> Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Excluded from determination of sponsored agreements costs B. <input checked="" type="checkbox"/> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged C. <input checked="" type="checkbox"/> Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved D. <input type="checkbox"/> Not accounted for separately, but reflected in the depreciation reserve account Y. <input type="checkbox"/> Others<sup>1</sup> Z. <input type="checkbox"/> Not applicable</p>		
4.4.0 Revised	<p><u>Criteria for Capitalization.</u> (Enter (a) the minimum dollar amount of expenditures which are capitalized for acquisition, addition, alteration, donation and improvement of capital assets, and (b) the minimum number of expected life years of assets which are capitalized. If more than one dollar amount or number applies, show the information for the majority of your capitalized assets, and enumerate on a continuation sheet the dollar amounts and/or number of years for each category or subcategory of assets involved which differs from those for the majority of assets.)</p> <p>A. Minimum Dollar Amount      5,000 B. Minimum Life Years            2</p>		
4.5.0	<p><u>Group or Mass Purchase.</u> Are group or mass purchases (initial complement) of similar items, which individually are less than the capitalization amount indicated above, capitalized? (Mark one.)</p> <p>A. <input type="checkbox"/> Yes<sup>1</sup> B. <input checked="" type="checkbox"/> No</p>		

FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet.

<b>COST ACCOUNTING STANDARDS BOARD  DISCLOSURE STATEMENT  REQUIRED BY PUBLIC LAW 100-679  EDUCATIONAL INSTITUTIONS</b>		<b>PART V - OTHER COSTS AND CREDITS  NAME OF REPORTING UNIT  UNIVERSITY OF DELAWARE</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
	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  B. <input type="checkbox"/> Accrual<sup>1</sup></p>	
5.2.0	<p><u>Applicable Credits.</u> This item is directed at the treatment of “applicable credits” as defined in <b>2 CFR Part 200</b> 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.  B. <input type="checkbox"/> The credits/receipts are handled as a general adjustment to the indirect pool.  C. <input type="checkbox"/> The credits/receipts are treated as income and are not offset against costs.  D. <input type="checkbox"/> Combination of methods<sup>1</sup>  Y. <input type="checkbox"/> Other<sup>1</sup></p>	

FORM CASB DS-2 (REV 10/94)

<sup>1</sup> Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE	
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016		
	<p style="text-align: center;">Instructions for Part VI</p> <p>This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits) and insurance. Some organizations may incur all of these costs at the main campus level or for public institutions at the governmental unit level, while others may incur them at subordinate organization levels. Still others may incur a portion of these costs at the main campus level and the balance at subordinate organization levels.</p> <p>Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to Federally sponsored agreements are material, the reporting unit should require that entity to complete the applicable portions of this Part IV. (See item 4, page (i), General Instructions)</p>		
6.1.0	<u>Pension Plans.</u>		
6.1.1	<u>Defined-Contribution Pension Plans.</u> Identify the types and number of pension plans whose costs are charged to Federally sponsored agreements. (Mark applicable line(s) and enter number of plans.)		
	<u>Type of Plan</u>	<u>Number of Plans</u>	
	A. _____ 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	_____ 1 _____ 403(b)	
	C. _____ Institution has its own Defined-Contribution Plan(s)	_____	
6.1.2	<u>Defined-Benefit Pension Plan.</u> (For each defined-benefit plan (other than plans that are part of a State or Local government pension plan) describe on a continuation sheet the actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)		
	See continuation sheet.		
6.2.0	<u>Post Retirement Benefits Other Than Pensions (including post retirement health care benefits) (PRBs).</u> (Identify on a continuation sheet all PRB plans whose costs are charged to Federally sponsored agreements. For each plan listed, state the plan name and indicate the approximate number and type of employees covered by each plan.)		
	<input checked="" type="checkbox"/> Postretirement Benefits		

FORM CASB DS-2 (REV 10/94)

Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
6.2.1	<u>Determination of Annual PRB Costs.</u> (On a continuation sheet, indicate whether PRB costs charged to Federally sponsored agreements are determined on the cash or accrual basis of accounting. If costs are accrued, describe the accounting practices uses, including actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)	
6.3.0	<u>Self-Insurance Programs (Employee Group Insurance).</u> Costs of the self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)  A. <input type="checkbox"/> When accrued (book accrual only) B. <input type="checkbox"/> When contributions are made to a nonforfeitable fund C. <input type="checkbox"/> When contributions are made to a forfeitable fund D. <input type="checkbox"/> When the benefits are paid to employee E. <input type="checkbox"/> When amounts are paid to an employee welfare plan Y. <input type="checkbox"/> Other or more than one method Z. <input checked="" type="checkbox"/> Not Applicable	
6.4.0	<u>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance.)</u>	
6.4.1	<u>Worker's Compensation and Liability.</u> Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)	
Revised	A. <input type="checkbox"/> When claims are paid or losses are incurred (no provision for reserves) B. <input type="checkbox"/> When provisions for reserves are recorded based on the present value of the liability C. <input type="checkbox"/> When provisions for reserves are recorded based on the full or undiscounted value, as contrasted with present value, of the liability D. <input type="checkbox"/> When funds are set aside or contributions are made to a fund Y. <input checked="" type="checkbox"/> Other or more than one method <sup>1</sup> Z. <input type="checkbox"/> Not Applicable	
6.4.2	<u>Casualty Insurance.</u> Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)  A. <input checked="" type="checkbox"/> When losses are incurred (no provision for reserves) B. <input type="checkbox"/> When provisions for reserves are recorded based on replacement costs C. <input type="checkbox"/> When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles. D. <input type="checkbox"/> Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves) Y. <input type="checkbox"/> Other or more than one method <sup>1</sup> Z. <input type="checkbox"/> Not Applicable	

FORM CASB DS-2 (REV 10/94)

Describe on a Continuation Sheet.

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>PART VII - CENTRAL SYSTEM OR GROUP EXPENSES NAME OF REPORTING UNIT UNIVERSITY OF DELAWARE</b>	
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016		
	<p style="text-align: center;">DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE.</p> <p style="text-align: center;">Instructions for Part VII</p> <p>This part should be completed <u>only</u> by the central system office or a group office of an educational system when that office is responsible for administering two or more segments, where it allocates its costs to such segments and where at least one of the segments is required to file Parts I through VI of the Disclosure Statement.</p> <p>The reporting unit (central system or group office) should disclose how costs of services provided by the reporting unit are, or will be, accumulated and allocated to applicable segments of the institution. For a central system office, disclosure should cover the entire institution. For a group office, disclosure should cover all of the subordinate organizations administered by that group office.</p> <p><u>Organizational Structure.</u> Not Applicable</p> <p>7.1.0 On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.</p> <p><u>Cost Accumulation and Allocation.</u> Not Applicable</p> <p>7.2.0 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 prorate or allocation basis and the basis of such charges. If none, so state.</p>		

FORM CASB DS-2 (REV 10/94)

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part I – General Information NAME OF REPORTING UNIT University of Delaware</b>	
Item No.	Item Description Revision Number 2 – Effective 07/01/2016		
1.1.0	<p><b><u>Description of Your Cost Accounting System</u></b></p> <p>The cost accounting system of the University is based upon the modified accrual basis of accounting. Direct costs are charged to sponsored agreements on a cash basis. Year-end accrual entries are made for salary and non-salary charges for services performed and for goods over \$5,000 physically received prior to the close of the fiscal year. Fringe benefits and facilities and administrative costs are applied at rates provided in the rate agreement negotiated with the government.</p> <p>The University of Delaware utilized the CRIS software in preparing the facilities and administrative proposal. The CRIS system is a modeling software that facilitates the calculation of the F &amp; A rate and has reporting capabilities that is used in generating the proposal. Indirect costs are based on the University’s annual financial statements, which are prepared on an accrual basis of accounting. These statements are entered into the CRIS software model.</p> <p>The University accounting system consists of nine identifiers, containing alpha-numeric values.</p> <ol style="list-style-type: none"> <li>1. Purpose – identifies the lowest level at which the University aggregates transactions</li> <li>2. Account – identifies the nature (natural classification) of the transaction</li> <li>3. Class – identifies a budget line associated with a position (salary)</li> <li>4. Department ID – identifies an administrative unit</li> <li>5. Fund – identifies broad categories of operating and non-operating</li> <li>6. Program – identifies the type of expense</li> <li>7. Project ID – identifies a grant, contract or facilities project</li> <li>8. Source – identifies the source of funding</li> <li>9. Userfield – identifies optional userdefined field</li> </ol>		
1.2.0	<p><b><u>Integration of Cost Accounting with Financial Accounting</u></b></p> <p>Direct costs that are charged to grants are fully integrated with the University’s financial accounting system.</p> <p>The amounts included in the University’s indirect cost center pools are based on cost information generated by the financial accounting system. Adjustments and reclassifications are needed to recast the cost pools mandated in <b>2 CFR Part 200</b>. Department administration costs are not accumulated within the formal accounting system but are identified through generally accepted cost finding techniques or other calculations. The allocation of facilities and administrative costs, fringe benefits and the development of indirect cost rates are also accomplished through cost finding procedures.</p>		



<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part I – General Information</b>	
		<b>NAME OF REPORTING UNIT University of Delaware</b>	
Item No.	Item Description		
Revision Number 2 – Effective 07/01/2016			
1.3.0	<p><b><u>Unallowable Costs</u></b></p> <p>Costs that are unallowable as defined in <b>2 CFR Part 200</b> are identified and recorded in the University’s formal financial records in two distinct ways. First, for entire program units or general areas of expense that are unallowable, the entire unit purpose code(s) carries an “unallowable” designation for elimination from the cost pool. Examples include the Alumni Relations Office, the Gift Development Office, and the Investment Office.</p> <p>Second, individual items of expense that are unallowable across all units are segregated by the account code on each transaction. Examples include entertainment, advertising, and alcoholic beverages.</p> <p>During the preparation of the facilities and administration indirect cost rate proposal, the formal accounting records are further reviewed to ensure that all unallowable costs have been properly identified.</p>		
1.3.1	<p><b><u>Treatment of Unallowable Costs</u></b></p> <p>Unallowable costs are excluded from charges to federally sponsored agreements.</p> <p>As required by CAS 505 where unallowable costs would normally be part of a regular indirect cost allocation base, they will remain in that base. This is accomplished by classifying such costs as Other Institutional Activities and allocating a portion of indirect costs to this activity.</p> <p><b>2 CFR Part 200</b> requires the classification of unallowable activities as Other Institutional Activities. In the interest of consistency, the University has elected to treat unallowable costs in this manner if the unallowable costs would normally be included in the Modified Total Direct Cost base specified in <b>2 CFR Part 200</b>. An exception to this treatment is made for cost overruns and unallowable direct costs of federal-sponsored awards. These costs would remain in the MTDC base for sponsored agreements.</p> <p>Unallowable costs are accumulated both by account code (natural classification) and/or by segregation in purpose codes set up specifically for unallowable activities. These cost groupings may then be excluded from cost pools, but can be included in the appropriate base. Cost overruns are accumulated in the project purpose code, and thereby carry the same cost objective (base) coding as the other expenditures for the project. Overruns are allowable costs that exceed the resources authorized for the contract or grant. Therefore they become part of the cost sharing already recorded in the accounting system. Such cost are removed from the project cost at close out and journalized to an institutional source of funds.</p>		
1.5.0	<p><b><u>State Laws or Regulations</u></b></p> <p>The University of Delaware is not aware of any state laws or regulations that influence the institution's cost accounting practices.</p> <p><b>End of Part 1</b></p>		

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part II – Direct Costs</b>
		<b>NAME OF REPORTING UNIT University of Delaware</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
2.1.0 Revised	<p><b>Criteria for Determining How Costs are Charged to Federal Agreements or Similar Cost Objectives</b></p> <p>The University follows the general guidelines in 2 CFR Part 200. Accordingly, costs that can be specifically identified with a particular federal award, instructional activity or other institutional activity or can be directly assigned to such activities easily with a high degree of accuracy are treated as direct costs. Conversely, costs incurred for common objectives, which cannot be readily identified with a particular federal award or other activity, are treated as indirect costs. Further, the University’s indirect costs are consistent with the definitions in 2 CFR Part 200.</p> <p>Within academic departments and Research Units, the salaries of faculty, research and technical staff, graduate students and fellows are treated as direct cost based on their effort and charge to sponsored projects if they meet the requirements of 2 CFR Part 200.</p> <p>Salaries of administrative staff are usually treated as indirect cost. These costs are treated as direct costs when all of the following conditions are met:</p> <ul style="list-style-type: none"> <li>The administrative or clerical services are integral to a project or activity.</li> <li>The individual involved can be specifically identified to the project or activity.</li> <li>The costs are explicitly included in the budget or have the prior written approval of the Federal awarding Agency (except as indicated below).</li> <li>The costs are not removed as indirect costs.</li> </ul> <p>For NIH Modular grants, the requirement for explicit budgeting of administrative/clerical salaries is met by listing the administrative/clerical employee or position in the personnel justification, along with the related information required in the justification. The requirement for prior approval of the Federal awarding agency does not apply where the agency has waived the prior approval requirement. If the costs have not been explicitly budgeted and the prior approval requirement has been waived, the costs must be approved internally by a designated University official. The cost of travel, laboratory supplies, animals, consulting services, long-distance phone calls and other specialized services that can be clearly identified with specific sponsored projects are treated as direct cost.</p> <p>Costs that are general in nature such as local telephone calls, office supplies, postage, copier charges and periodicals are normally treated as indirect, unless special circumstances apply which would make direct charging of these costs appropriate in accordance with 2 CFR Part 200. The University relies on the judgment of principal investigators and other responsible officials to determine whether these circumstances exist for a particular project, and requires that proposed direct charges for these costs be fully justified to Federal awarding agencies in grant applications and contract proposals. For Federal awards that do not require submission of a project budget to the awarding agency (such as NIH modular grants), the costs must be justified and approved internally by a designated University official. If a need for these costs arises after a project’s budget has been approved, a re-budgeting action to permit direct charging the costs to the project requires a justification and approval of a designated University official.</p> <p>Every effort is made to classify costs (i.e., salaries, fringes, material, supplies, etc.) incurred for the same purpose consistently as either direct or indirect costs. Specific policies have been established by the University to assist in the accomplishment of this objective.</p>	

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part II – Direct Costs</b>	
		<b>NAME OF REPORTING UNIT University of Delaware</b>	
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016		
<b>2.2.0</b> <b>Revised</b>	<p><b>Description of Direct Materials</b></p> <p>Materials and supplies directly identified with federally sponsored agreements are charged via coding the requisition or direct purchase at the department level. Coding of the transaction includes the purpose code and account code which appropriately identifies the cost objective. Types of material that are generally charged to federal awards are laboratory supplies, photographic supplies and minor equipment costing less than \$5,000.</p> <p><b>Non-capitalized computing devices that are essential and allocable to Federal awards are charged directly to the awards, regardless of whether they are solely dedicated to the performance of the awards.</b></p>		
2.3.2	<p><b>Inventory Requisitions from Central or Common, Institution-owned Inventory.</b></p> <p>The Chemistry storeroom, Biological storeroom and Institute of Energy Conversion (IEC) storeroom are the University’s three major inventory systems that charge regularly to sponsored programs. Except for the inventory of nitrogen, the Chemistry and Biological storerooms are operated as a partnership with Fisher Scientific. The storerooms exist to provide widely used laboratory supplies and chemicals for purchase to the University research groups for immediate availability. The inventory maintained in the storerooms are owned and managed by Fischer Scientific, not the University. Fisher Scientific’s inventory valuation method used to charge projects is that discounts shall apply to the list prices and categories of high volume Fisher catalog products. Each year, at the beginning of January, the list prices are adjusted in accordance with any manufacturer’s price changes. For non-catalog and third-party products, the net price is quoted by Fisher.</p> <p>The IEC storeroom’s inventory valuation method is actual cost of item, including shipping cost. Old items carried forward are not repriced to the cost of new similar items. Liquid nitrogen is purchased by the cylinder and is charged as it is signed out. The majority of other University inventory needs are purchased through Blue Hen Market, which is an on-line shopping system and the inventory is maintained by third-party vendors. All costs of storerooms are excluded from the indirect cost pools.</p>		

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part II – Direct Costs NAME OF REPORTING UNIT University of Delaware</b>
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016	
2.4.0	<p><b><u>Description of Direct Personal Services</u></b></p> <p>Personal services directly identified with federally sponsored awards consist of faculty, staff researchers, research associates, lab technicians, graduate assistants and other support staff. Their compensation includes both salaries and wages and related fringe benefits. Support staff includes clerical and administrative personnel charged in compliance with <b>2 CFR Part 200</b>. In addition, miscellaneous wage, graduate students and undergraduate students are occasionally charged.</p>	
2.5.0	<p><b><u>Method of Charging Direct Salaries and Wages</u></b></p> <p>The majority of students working on sponsored agreements are Graduate students, and these students are compensated and charged in the same method as full time faculty and staff. Undergraduate students, graduate students not under contract, and miscellaneous wage (non-regular) employees report time biweekly on timesheets or clock cards.</p>	
2.5.1	<p><b><u>Salary and Wage Cost Distribution Systems.</u></b></p> <p>Only employees directly charged to sponsored agreements or cost sharing on sponsored agreements use confirmation of activity reporting. Other employees are either single activity, or their costs are allocated to indirect objectives on a modified total direct cost basis. Single activity means that an employee only expends effort for one cost objective, direct or indirect.</p>	
2.5.2	<p><b><u>Salary and Wage Cost Accumulation System</u></b></p> <p>The University uses both a plan-confirmation system and a reporting system to accumulate salaries.</p> <p>In the first case, responsible officials determine and record the planned distribution of each non-hourly and University regular salaried employee salary through use of the Labor Allocation Module and the Proposal Submission system. The completed entries in the Labor Allocation Module are used to distribute salary costs to University purposes and account codes. Direct charge and cost share expenses are captured in this manner. Significant changes in work activity are identified on an on-going basis and adjustments are made in charges to reflect the changes. Additionally, a responsible official reviews an Effort Certification web view (each unit has a designated Effort Administrator assigned for this role) and after sufficient review, submits to the employee for official certification that the work was performed and that the salary charges are accurate. A suitable official means a person with first-hand knowledge of employee’s activities. If the employee has terminated or retired from employment with the University, an employee with suitable means of verification evaluates effort in lieu of the particular employee. Faculty certifies effort forms three times annually; all others certify semi-annually.</p> <p>This process is consistent with the requirements of <b>2 CFR Part 200</b>. Systems used in this process include the Labor Allocation Module, effort certification report, and journal voucher as well as Bi-Weekly Time Report web forms and time cards for wage earners.</p> <p>The Labor Allocation Module consists of web forms for payroll input (on a % of compensation basis) and the resulting entries to the institutions financial accounting records are a direct product of the module data. The gross payroll is reconciled by the fact that entries from the payroll system will only be accepted into the financial accounting records as a balanced file; that is, charges must equal cash plus benefit liability credit entries. Each sponsored project is further reconciled to budgeted plan (as amended if appropriate) during the final close out process.</p>	

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part II – Direct Costs</b>	
		<b>NAME OF REPORTING UNIT University of Delaware</b>	
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016		
<p>2.6.0 Revised</p>	<p>Occasionally, employees receive additional compensation for duties other than regular duties. The resulting overload salaries and wages do not follow the plan-confirmation system used for the employees' regular pay. Under University policy, faculty may receive additional compensation for teaching above their standard load. This includes teaching an additional course, teaching in the winter or summer terms, or teaching a distance learning course. A modest amount of overtime may be charged to sponsored agreements, usually for employees 100% time on the agreement or under special circumstances that warrant such charges. Salaries and wages are recorded directly to the benefiting cost objective.</p> <p><b>Description of Direct Fringe Benefits Costs</b></p> <p>Fringe benefits costs that are attributable to direct salaries and wages are charged to federal awards based on the application of a fixed benefit rate. The University has a formal negotiation agreement with the federal cognizant agency establishing the fringe benefit rate for each year. The following fringe benefits are included in this negotiated rate where there is cost and those costs are allowable.</p> <ul style="list-style-type: none"> <li>• Group Life</li> <li>• Vision Plan</li> <li>• Disability Insurance</li> <li>• Group Hospital (Health Insurance)</li> <li>• Retired Group Hospital (Retire Health Insurance)</li> <li>• Workers' Compensation</li> <li>• Dental Plan</li> <li>• Employee Service Award</li> <li>• Retirement (TIAA)</li> <li>• State Pension</li> <li>• Employer's Share FICA</li> <li>• Fee Waiver</li> <li>• Special Employee Death Benefit</li> <li>• Flexible Benefits Cash Out</li> <li>• Mortgage Assistance</li> <li>• Faculty Retirement</li> <li>• Payments for Unused Leave When Employee Retires or Terminates Employment</li> <li>• Unemployment Insurance</li> </ul> <p>Fringe benefits that are not included in the Fringe Benefit rate calculation but are charged as incurred include, holiday, vacation, sick leave, jury duty, sabbatical leave, bereavement, military leave. These costs (except sabbatical leave) are charged to cost objectives in the same ration as all other charges each pay period and therefore are proportionally charged to direct and indirect cost pools are appropriate. Sabbatical leave pay is only charged to sponsored agreements when the employee expends direct effort while on sabbatical leave. Otherwise, sabbatical pay is include in the instruction cost base only. All such pay is included in the allocation base for benefit rate calculations.</p> <p>A description of the University benefits is provided on the University's website at: <a href="http://www.udel.edu/Benefits/">http://www.udel.edu/Benefits/</a></p>		

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part II – Direct Costs</b>	
		<b>NAME OF REPORTING UNIT University of Delaware</b>	
Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016		
2.6.1	<p><b><u>Method of Charging Direct Fringe Benefits</u></b></p> <p>The University uses the averaging concept to allocate fringe benefit costs to major functions and to individual projects or direct cost objectives. The averaging concept is implemented through the application of a fringe benefit rate. This rate is negotiated with the federal cognizant agency and is charged out using a currently approved rate. The agreement is the result of a review process which begins with the submission of actual costs for a base year and projections for the next year. Actual and projected costs are itemized in accordance with the benefit cost components identified in Section 2.6.0 of this statement.</p> <p>The University uses 100% of all payroll salaries and wages as the allocation bases for benefit costs. The total is allocated in five distinct bases: Faculty and Professional; Staff; Graduate students; other students; and other. Benefits are allocated to each respective pool on the basis of usage studies which vary by benefit in accordance with University benefit policy and/or the related government mandate (e.g. FICA statutes). Costs are allocated based on eligibility of each pool.</p> <p>Given that a previously negotiated fringe benefit rate is used to charge fringe benefit costs that are charged to federal awards, actual fringe benefit costs are not incurred for a fiscal year and are not allocated to these awards or to similar cost objectives. Actual fringe benefit costs are accumulated in specific fringe benefit accounts for future rate determination, audit and budgetary control purposes. Per cognizant agency's request, the University calculates the annual fringe benefit rate which includes a carry forward provision.</p>		
2.7.0	<p><b><u>Description of Other Direct Costs</u></b></p> <p>Other direct costs (not including materials and supplies or personnel costs) are charged using the same method as materials and supplies discussed in 2.2.0</p> <p>Expenses other than labor, materials and supplies which are charged directly to federal awards may include:</p> <ul style="list-style-type: none"> <li>Consultants Contract Services (Third party contractors; e.g. audit services)</li> <li>Travel</li> <li>Equipment</li> <li>Printing</li> <li>Subcontracts</li> <li>Telephone Long Distance Costs</li> <li>Postage</li> <li>Rent and other facility costs of off-campus facilities</li> <li>Other miscellaneous expenses</li> </ul>		
2.8.0	<p><b><u>Cost Transfers</u></b></p> <p>For the majority of cost transfers, the amount credited for direct costs and indirect costs is the same as the original amount charged. However, if a cost transfer crosses fiscal years, the indirect costs and the fringe benefit rate(s) of the new fiscal year are used in determining the amount of credit to the original account as part of the automated system of charging such costs.</p> <p>The University does not believe that this practice has a significant effect on charges to federally sponsored agreements.</p> <p><b>End of Part II</b></p>		

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>	<b>CONTINUATION SHEET Part III – Indirect Costs</b>
	<b>NAME OF REPORTING UNIT University of Delaware</b>

Item No.	Item Description Revision Number 2 – Effective Date 07/01/2016
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3.1.0

**Indirect Cost Categories - Accumulation and Allocation**

Costs are accumulated by cost center in the accounting system. Normally F&A costs are coded in accordance with the definitions set forth in 2 CFR Part 200. Purpose codes that do not meet the criteria of allowability or allocability to federal agreements are set aside into a separate category. Subsequently, those purpose codes deemed to be in accordance with 2 CFR Part 200 are screened to determine if any costs may not be considered allocable to federal projects. If any costs are so identified, they are reclassified to an appropriate category. Unallowable costs are never allocated to federal projects. See item number 3.4.0.E for discussion on departmental administrative costs.

3.2.0  
Revised

**Service Centers**

The University has multiple recharge centers (<\$20,000 or less in annual expenditures) and minor service centers (\$20,000 to <\$1,000,000 in annual expenditures) centers.

All recharge and minor (service) centers are billed at cost, with rates reviewed annually to adjust for over/under charges from prior periods. It is the University’s policy to not burden the charge rates for space or indirect cost.

The University operates a marine research vessel in cooperation with the National Science Foundation (NSF). Charges for daily operation are negotiated annually with the NSF. The charges reflect the percentage of NSF support for the vessel. Such cruises are usually charged to a specific NSF grant for ship operations rather than to specific research awards. By negotiation, vessel charges are excluded from the MTDC research base. NSF first decides what research grants to award ship time, then based on days needed for each vessel, turns to the vessel owner’s proposal and negotiates daily rates. Information submitted in the proposal includes both fixed and variable costs (manning, fuel, maintenance, etc.) which is divided by the expected total days of use per year to determine the vessel’s daily rate. One person at the NSF negotiates the rates with owners (in the University’s case with the Director of Marine Operations) annually and an award for support is made based on that rate. Charges are made to the NSF and Office of Naval Research (ONR) awards based on cruise days. ONR accepts NSF negotiated rates for their awards.

Mail and telephone charges are a direct pass through of billed costs.

Central scientific computing charges are rarely made to sponsored projects.

Business data processing costs are allocated to business units in three ways. The University’s core business systems are shared with the program (academic) users, although academic users also have access to several other dedicated machines. The full cost of central University computing, minus the cost of the Administrative Systems office (programming and design), are allocated to the mainframes and subsequently allocated to users on the basis of CPU usage on the various machines. Administrative Systems Office costs are allocated on the basis of time spent by the staff of the office for various projects (e.g., Payroll, Student Records, etc.). Finally, a funded program is in place to supply faculty and staff with a new computer on a 4-year cycle.

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3.3.0	<p><b><u>Indirect cost pools and Allocation Bases</u></b></p> <p>The University of Delaware computes eight different indirect rates with the cognizant agency for use on federal contracts and grants. Each of the eight rates use Modified Total Direct Cost (MTDC) as the distribution base. Each of these rates use a separate activity base amount in calculating the percentage. Four of the eight rates represent off-campus (site) rates.</p>		
<b>3.4.0</b> <b>Revised</b>	<p><b><u>Composition of Indirect Cost Pools</u></b></p> <p>The University uses the traditional higher education functions for coding within the chart of accounts to identify the activities for most cost pools and allocation bases. The pools for Operations and Maintenance General Administration, Sponsored Projects, Library, and Student Services are coded by program (function), department, subaccount and the primary report for identifying these cost is the University Statement of Expenses by Natural Classification which originates with a standardized report from the general ledger system that lists all operating codes by program, by purpose codes with the underlying details. Dean’s administration is reclassified in the indirect cost proposal by specific purpose code(s) that are applicable.</p> <p>The University includes the Utility Cost Adjustment in the indirect cost rate for Organized Research.</p>		
<b>3.4.0.A</b> <b>Revised</b>	<p><b><u>Depreciation Cost Pools</u></b></p> <p>(a) <u>Building/Land Improvements Depreciation</u> – The depreciation expenses under this heading are recorded in the University’s Asset Management system. Space utilization is recorded in this system and is reported out through the use of the standardized reporting tool. The categorization between federal and non-federal is maintained in the system. The components and useful lives are all in compliance with those recommended by GAAP. The depreciation method is straight-line. Federal sources are eliminated in accordance with 2 CFR Part 200 Regulations.</p> <p>Building Depreciation is accumulated on a building by building basis. The depreciation costs are allocated to the various 2 CFR Part 200 functions based on the functional use of space in each building.</p> <p>Land Improvements are allocated to the various 2 CFR Part 200 functions based on a two-step allocation. The first step is based on full time equivalents (FTE) of students and staff. The land improvements allocated to students are allocated to the Instruction function. The land improvements allocated to staff are further allocated to the 2 CFR Part 200 benefitting functions based on campus wide salaries and wages of each function. These salaries and wages are located on page C4 of our 2017 F&amp;A proposal.</p>		



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	<p>(b) Equipment Depreciation - The expenses under this heading include only depreciation expense. The acquisition costs of equipment are recorded in the University’s accounting system. A detailed inventory of all equipment is maintained in the University’s Asset Management system. Each piece of equipment, acquired through either federal or non-federal funds, is assigned a specific tag number. Each tag number includes a description of the equipment, acquisition date, book value, useful life and category of equipment, which in turn determines the allowable useful life for depreciation. The depreciation method is straight line. Federal sources are eliminated in accordance with <b>2 CFR Part 200</b> regulations.</p> <p>Equipment Depreciation is allocated to the <b>2 CFR Part 200</b> benefitting functions based on the following three methods:</p> <ol style="list-style-type: none"> <li>1) Equipment by Room – Equipment that can be identified to a specific room is allocated to the <b>2 CFP Part 200</b> functions based on the functional use of space in that room.</li> <li>2) Equipment by Department – Equipment shared in a department is allocated to the <b>2 CFR PART 200</b> functions based on the functional use of space in that Department.</li> <li>3) Equipment Common Space – Equipment located in common space is allocated to the <b>2 CFR PART 200</b> functions based on the functional use of the building that the Common Space is located.</li> </ol>		
<b>3.4.0.B</b> <b>Revised</b>	<p><b><u>Interest Cost Pool</u></b></p> <p><b>Interest is allocated to the 2 CFR Part 200 benefitting functions based on the functional use of space in each building.</b></p>		

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>	<b>CONTINUATION SHEET Part III – Indirect Costs</b>
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<b>3.4.0.C Revised</b>	<p><b><u>Operations and Maintenance Pool Costs (O&amp;M)</u></b></p> <p>The expenses within this category are the following components:</p> <ul style="list-style-type: none"> <li>Direct Administration and Supervision</li> <li>Building Services</li> <li>Repairs and Maintenance</li> <li>Police</li> <li>IT Security</li> <li>Center Plant Operations (includes Utilities)</li> <li>Grounds and Movers Services</li> <li>Facilities, Planning and Construction</li> <li>Small Non-capital Renovation Projects</li> </ul> <p>The expenses under this heading are those that have been incurred for the administration, supervision, operation, maintenance, preservation and protection of the facilities. Costs include salaries and wages, travel, supplies, and allocations of facilities and administrative costs. Normally they include expenses incurred for such items as janitorial and utility services, repairs and ordinary or normal alterations of buildings, care of grounds, maintenance and operations of buildings, security of plant facilities and other supporting expenses. This category also includes step-down allocations of building and equipment depreciation expenses.</p> <p>The formulation of the O&amp;M pools are based on expenses recorded in the general ledger of the University and its ancillary O&amp;M cost subsystems. Program, department, purpose and subaccount coding within the chart of accounts are used to identify O &amp; M costs. Program code OPMNT is currently assigned to this cost pool. Eleven separate O&amp;M cost pools are identified:</p> <p>OM Newark, OM Dover, OM Lewes and OM Wilmington – O&amp;M costs that are of a general nature and shown to benefit the each campus are included on the University’s these cost pools and allocated campus wide to all 2 CFR PART 200 benefiting functions based on functional usage of space of all buildings on each campus. A list of these buildings can be found on schedule F5 of the FYE 2017 F&amp;A cost proposal.</p> <p>O&amp;M Environmental Health and Safety (EHS) – EHS costs are identified campus wide. These costs are allocated to the 2 CFR PART 200 benefiting functions based on the functional usage of all Lab space on campus. The buildings that have Lab space are located on Schedule F3 of the FYE 2017 F&amp;A cost proposal.</p> <p>O&amp;M Building Specific Utilities – Certain buildings on campus are metered for Utility costs. Utility costs are identified to buildings and then allocated to the 2 CFR PART 200 benefiting functions based on the functional use of space in each building. A list of these buildings is located on schedule F4 of the FYE 2017 F&amp;A cost proposal.</p>

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	<p data-bbox="334 438 1459 499">OM Building Specific – Leased costs associated with specific leased buildings on campus. A list of these buildings can be found on schedule F5 of the FYE 2017 F&amp;A cost proposal.</p> <p data-bbox="334 533 1459 655">OM Department Paid OM - O&amp;M costs that are of a general nature and shown to benefit a specific department are allocated to the 2 CFR PART 200 benefiting functions based on functional usage of space in that department. A list of these buildings can be found on schedule F6 of the FYE 2017 F&amp;A cost proposal.</p> <ol style="list-style-type: none"> <li data-bbox="386 688 1471 968">(1) University accounting guidelines treat security costs as costs of general administration in the financial statements. The costs of the security purpose code are reclassified to O&amp;M in compliance with 2 CFR PART 200. Any maintenance projects that were originally coded to a capital code, but whose cost ultimately failed to meet the University capitalization criteria are also reclassified as O&amp;M. At the departmental level, minor O&amp;M costs are paid from purpose codes and identified using account codes and are reclassified to O&amp;M for indirect cost calculations. Costs from the O&amp;M cost pool including building and equipment depreciation expenses are allocated to direct and indirect cost objectives by building based on the functional distribution of the building assignable net square footage.</li> <li data-bbox="386 1001 1446 1094">(2) O&amp;M Environmental Health and Safety – O&amp;M costs associated with environmental health and safety are assigned to a unique O&amp;M cost pool. These costs are then allocated to all laboratory space based on square footage.</li> <li data-bbox="386 1127 1471 1220">(3) O&amp;M Energy – O&amp;M costs associated with energy (e.g., utilities), identified to specific buildings, are assigned to those buildings and allocated to the benefiting functions in those building based on square footage.</li> </ol>		

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<b>3.4.0.D</b> <b>Revised</b>	<p><b><u>General and Administrative Expenses (G&amp;A)</u></b>  Two separate cost pools are identified and used to accumulate and allocate costs:</p> <p>(1) G&amp;A Education and General – The expenses in this cost pool are associated with the academic units, such as the provost office and the institutional research office, and benefit academically-related university functions. Expenses in this category include salaries and wages, travel, supplies, externally supplied services, general insurance, and allocations for depreciation and maintenance as part of the step down procedure per <b>2 CFR PART 200</b>.</p> <p>(2) G&amp;A University Wide - The expenses under this heading are those that have been incurred for the general executive and administrative office as well as other expenses of a general nature which do not relate to any particular major function of the University. Expenses in this category include salaries and wages, travel, supplies, externally supplied services (e.g. audit costs), general insurance, and allocations for depreciation and maintenance as part of the step down procedure per <b>2 CFR PART 200</b>.</p> <p>Included within this category are the President’s Office, Vice Presidents’ Offices, General Accounting, Budget Office, Human Resources Office, Payroll and Accounts Payable, Risk Management, Internal Audit and Outside Costs of Audit, Employee Services, Labor Relations, Campus Mail and Telephone Services, Archivist and Purchasing.</p>		
<b>3.4.0.E</b>	<p><b><u>Departmental Administrative (DA)</u></b>  Costs include salaries and wages, travel, supplies, and allocations of facilities and administrative costs. The expenses under this heading are comprised of expenses incurred by academic units that benefit more than a single function. Academic units include deans’ offices, departmental offices and specialized units.</p> <p>Department Administration costs are identified on a department by department basis. These costs are then augmented by a prorated share of administrative costs that are allocated down from the related deans’ offices.</p> <p>The DA cost pool consists of components: business administrators, faculty and professional staff subject to the 3.6% allowance, clerical and support staff and other departmental expenses.</p> <p>The DA of each academic department, including the department’s share of the deans’ offices is allocated to the appropriate benefiting functions of the department on a MTDC base.</p> <p>The University uses the DCE methodology to calculate the applicable portion of clerical and support staff costs as well as departmental expenses attributable to DA.</p>		
<b>3.4.0.F</b>	<p><b><u>Sponsored Projects Administration</u></b>  The Sponsored Projects Administration consists of the costs of the Office of the Vice Provost for Research. Specifically excluded from the allocated costs of this office are the personnel involved with general patent and royalty issues. Expenses include salaries and wages, travel, supplies, and allocations of depreciation, maintenance and general administration as per <b>2 CFR PART 200</b>.</p> <p>This cost pool is allocated to all sponsored projects in the University, both research, instruction, and other sponsored activities on an MTDC basis.</p>		

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part III – Indirect Costs</b>	
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<b>3.4.0.G</b> <b>Revised</b>	<p><b><u>Library Cost Pool</u></b></p> <p>The Library Cost Pool consists of the University’s main library and four satellite libraries located in units that have significant sponsored agreements. Costs include salaries and wages, travel, supplies, the costs of library materials purchased, and allocations of facilities and administrative costs.</p> <p>Library costs are allocated to benefiting cost objectives using a library cost analysis study.</p> <p>The library cost analysis study methodology employed at the University of Delaware generally consisted of three activities:</p> <ol style="list-style-type: none"> <li>1. Identifying the Library’s total allowable expenses in FY 2017 less applicable credits using four library expense categories (salaries/benefits, library materials, other operating expenses, and cross-allocated costs). These allowable costs were then assigned to discrete cost centers within the University of Delaware Library.</li> <li>2. Performing an in-house survey of library users at all four of the University Library locations (Morris Library, Chemistry Library, Physics Library, and the Marine Sciences Library) during randomly selected survey periods over a twelve-month period. The library use survey identified library users’ demographics and their purpose(s) for using specific library materials and services that served as allocation bases for most of the University Library’s discrete cost centers.</li> <li>3. Conducting a web-based survey of the Library’s electronic services users, including remote users (i.e., those using the Library’s electronic services from a location outside one of the University of Delaware’s libraries). The web-based survey results were used to allocate the expenses incurred by the Libraries for its electronic journals, electronic books, and databases.</li> </ol>		
<b>3.4.0.H</b>	<p><b><u>Student Administration Services</u></b></p> <p>The expenses in this cost pool are comprised of the Vice President for Student Life, and include the Dean of Students, Admissions, Financial Aid, Registrar (Records), Residence Life and related smaller offices whose sole or primary function relates to undergraduate education. Expenses include salaries and wages, travel, supplies, and depreciation and maintenance of equipment and space. This cost pool is allocated solely to the Instruction function. There is no allocation of this cost pool to organized research.</p> <p><b><u>Composition of Allocation Bases</u></b></p>		
<b>3.5.0</b> <b>Revised</b>	<p>Modified total direct cost (MTDC) consists of salaries and wages, fringe benefits, materials and supplies, services, travel, subgrants and subcontracts up to \$25,000 regardless of the period and other direct costs which are attributable to a specific cost objective. Equipment, capital expenditures in excess of \$4,999, rental costs on sponsored projects, participant support costs, scholarships and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000, and research vessel charges are excluded from the MTDC base. Service center charges are included in the materials and supplies category as part of the base. The operation of the service center is not a part of the allocation base. Total University expenses less financial aid, less indirect cost pool components specified in 3.4, and less MTDC exclusions above, are included in the MTDC allocation base.</p>		

**COST ACCOUNTING STANDARDS BOARD  
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EDUCATIONAL INSTITUTIONS**

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The allocation bases are Instruction (including Departmental Research), Organized Research (with Agriculture research as a separate base), Other Sponsored Programs (Primarily public service activities), Other Institutional Activities, and Auxiliary Enterprises, along with the off campus subset of rates for Instruction, Research, Agriculture Research and Other Sponsored Programs. Rates are not proposed for Other Institutional Activities or Auxiliary units since neither base includes external activities.

Allocation bases are identified by program, department, purpose and subaccount with details in the query referred to in 3.4.0. Some reclassifications are necessary where activities within a function are classed as part of General Administration pool by GAAP, but are considered to be part of the Other Activities allocation base by **2 CFR PART 200**. Examples of this include the Alumni Office, the Development Office and the Investment Office. Such activities are identified by purpose code.

(1) Equipment Depreciation Allocation Basis – Allocated in the following order and on the following basis in accordance with the functional distribution of the assignable net square feet:

- a. by room
- b. by department
- c. by common space

(2) O&M Allocation Basis:

- a. OM Newark, OM Dover, OM Lewes and OM Wilmington – Allocated based on functional activities in all University buildings.
- b. O&M Environmental Health and Safety – Allocated based on laboratory space in all University buildings.
- c. O&M Energy – Allocated based on functional activities in all University buildings.
- d. OM Building Specific – Allocated based on functional activities in specific University buildings based on leased areas.
- e. OM Department Paid – Allocated based on functional activities in associated department.

(3) G&A Allocation Basis:

- a. G&A University-wide – Allocated on the basis of Modified Total Cost (MTC) for all University functions. A list of the MTC by University function id located on schedule H3 of our 2017 F&A cost proposal.
- b. G&A Education & General – Allocated on the basis of Modified Total Cost (MTC) for all academically-related University functions. A list of the MTC of all academically related University functions is located on schedule H4 of our FYE 2017 F&A cost proposal.

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	<p><b>Department Administration</b> – Department Administration is allocated based on the Modified Total Direct Costs (MTDC), as defined in <b>2 CFR PART 200</b>.</p> <p><b>Sponsored Project Administration</b> – Sponsored Project Administration is allocated to all sponsored projects in the University, both research, instruction, and other sponsored activities on an MTDC basis.</p> <p><b>Library</b> – Library costs are allocated to benefiting cost objectives using a Library cost analysis study of library users.</p> <p><b>Student Administration and Services</b> – As noted in 3.4.0.H, the student administration and services indirect cost pool is allocated to instruction.</p> <p><b><u>Assignable Net Square Footage</u></b></p> <p>This represents the assignable net square footage of each room. The total assignable net square footage of a building is the sum of all assignable net square feet from all rooms in each particular building.</p> <p><b><u>Student Full-Time Equivalent</u></b></p> <p>A graduate student is considered to be a full-time equivalent if the student is enrolled in at least nine credit hours of course work for each semester. An undergraduate student must be enrolled in at least twelve credit hours.</p> <p><b>End of Part III</b></p>

<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>	<b>CONTINUATION SHEET</b> <b>Part IV – Depreciation and Use Allowances</b>
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4.1.0	<p><b><u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u></b></p> <p>(D) Leasehold Improvements: The Useful Life of Leasehold Improvements is valued at the estimated service life or the Term of the Lease. Whichever method ends first.</p> <p>(F) Furniture and Fixtures – Furniture costing less than \$5,000 is treated as supplies and expensed. Furniture costing \$5,000 or more is treated as equipment and capitalized separately. Furniture costing less than \$5,000 and purchased at initial construction of a building is capitalized as part of the building to place the building in service.</p> <p>Fixtures to buildings are treated as building components and are capitalized as part of the building. Building components include those items that are necessary for the operation of the building regardless of its use, and where removal would involve costly or extensive alterations or repairs to the building. Included in this component category would be the plumbing system, heating system, central air conditioning system, electrical services, standard room lighting fixtures, fire alarm systems, sprinkler systems, built-in intercom systems, floor covering such a tile or carpet, duct work for exhaust systems and conduit and wiring therein, even though equipment may be attached to the same.</p>								
4.3.0	<p><b><u>Treatment of Gains and Losses on Disposition of Depreciable Property</u></b></p> <p>If there is a trade-in, the University takes the gain or loss into consideration in the cost basis of the new items. If there is no trade-in, the gain or loss is taken into consideration as a charge or credit to the depreciation pool.</p>								
4.4.0 Revised	<p><b><u>Criteria for Capitalization</u></b></p> <p>The criteria for recording capital assets in the University’s financial statements is as follows:</p> <p>Land is recorded at cost or appraised value at time of receipt if contributed. Buildings are recorded at cost of initial construction. Cost of major renovations and additions to buildings that are in excess of \$100,000 or 20% of the existing building cost basis, whichever is the lesser amount, are capitalized when such additions and renovations add to the usefulness, efficiency, or life of a building. Costs to perform certain asset retirement activities are capitalized and depreciated over the period of expected remediation. The related asset retirement liability is accreted to its present value and accretion expense is recognized. Cost of equipment in excess of \$5,000 with a useful life expectancy of 2 years or more is capitalized.</p> <p>The University uses the straight-line method of depreciation for its plant assets based upon the following estimated useful lives:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Estimated Lives <u>(Years)</u></th> </tr> </thead> <tbody> <tr> <td style="padding-left: 40px;">Land improvements</td> <td style="text-align: center;">15</td> </tr> <tr> <td style="padding-left: 40px;">Buildings</td> <td style="text-align: center;">40</td> </tr> <tr> <td style="padding-left: 40px;">Equipment and furnishings</td> <td style="text-align: center;">2-20</td> </tr> </tbody> </table> <p><b>End of Part IV</b></p>		Estimated Lives <u>(Years)</u>	Land improvements	15	Buildings	40	Equipment and furnishings	2-20
	Estimated Lives <u>(Years)</u>								
Land improvements	15								
Buildings	40								
Equipment and furnishings	2-20								



<b>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</b>		<b>CONTINUATION SHEET Part VI – Deferred Compensation and Insurance Costs</b>
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<b>6.1.1</b> Revised	<b><u>Defined-Contribution Pension Plans</u></b>  The University’s faculty and professional staff participate in TIAA-CREF 403(B) plan.  Additional information is provided on the University’s website: <a href="http://www.udel.edu/Benefits/menu_univ403b.html">http://www.udel.edu/Benefits/menu_univ403b.html</a>	
6.1.2	<b><u>Defined-Benefit Pension Plan</u></b>  All permanent full and part-time (50% or greater) non-exempt employees are required to participate in the State of Delaware Pension Plan (Chapter 55, Title 29, Delaware Code). Contribution rates are set annually by the State of Delaware.	
<b>6.2.0</b> Revised	<b><u>Post Retirement Benefits Other Than Pensions</u></b>  Health care coverage for retirees is provided through the State of Delaware Health Care Plan which utilizes Blue Cross/Blue Shield of Delaware and Aetna. The medical insurance programs are continued after retirement without any lapse in coverage. Spouse and child coverage (if appropriate) also continues without interruption. If a retiree is over age 65 at retirement, the University provides individual coverage, supplemental to Medicare, with University funding to the retiree and also to the spouse. Retirees under the State of Delaware Retirement Plan have the benefit covered by the State of Delaware. This funded program is factored into the pension contribution rate set annually by the State of Delaware as described in 6.1.2 above. The University covers all faculty and professional retirees (i.e those individuals covered by the Defined-Contribution Pension Plan (TIAA-CREF)) for health care on a cash basis. The premiums are included as a health care component of the benefit rate.  Additionally, the University provides death benefit to retirees entering retirement after 1994 and Delaware Blood Bank coverage. These benefits are only available to faculty and professional employees, with the State of Delaware providing alternative benefits to retirees under their plan.	
6.2.1	<b><u>Determination of Annual PRB Costs</u></b>  All retiree benefits are charged to the benefit rates on a cash basis, with the exception of the health care funding for non-exempt employees under the State of Delaware Pension program as described above.	
<b>6.4.1</b> Revised	<b><u>Worker’s Compensation and Liability</u></b>  The University provides Worker’s Compensation through the State of Delaware’s plan. The University pays a flat fee to the State of Delaware, determined annually by the State based on historical experience. Costs to self-insure worker’s compensation liabilities are charged to Federally sponsored agreements or similar cost objectives through the University’s fringe benefit rate. Costs are based on an annual actuarial valuation of claims paid and anticipated.	
6.4.2	<b><u>Casualty Insurance</u></b>  The University maintains property casualty insurance coverage including: buildings and contents, automobile collision, and marine hull. There are deductibles associated with these insurance policies.  <b>End of Part VI</b>	