

COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS

RECOMPILED CASB DS-2 INCORPORATES:

Original Effective 8/17/95

Revision #1 Effective 7/1/98

Revision #2 Effective 7/1/01

Revision #3 Effective 7/1/04

University of Alaska Statewide System

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<p style="text-align: center;">COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>	<p style="text-align: center;">GENERAL INSTRUCTIONS</p>
<p>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).</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>5. The Statement must be signed by an authorized signatory of the reporting unit.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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).</p> <p>10. Amendments shall be submitted to the same offices to which submission would have to be made were an original Disclosure Statement being filed.</p>	

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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

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

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COVER SHEET AND CERTIFICATION

CERTIFICATION

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

Date of Certification:

2/5/04
Joseph Beedle
(Signature)

Joseph Beedle
(Print or Type Name)

Vice President for Finance
(Title)

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION
		NAME OF REPORTING UNIT University of Alaska Statewide System
Item No.	Item Description	
	Part I	
1.1.0	<u>Description of Your Cost Accounting System</u> for recording expenses charged to Federally sponsored agreements (e.g., contracts, grants and cooperative agreements). (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. <input checked="" type="checkbox"/> Accrual B. <input type="checkbox"/> Modified Accrual Basis ¹ C. <input type="checkbox"/> Cash Basis Y. <input type="checkbox"/> Other ¹	
1.2.0	<u>Integration of Cost Accounting with Financial Accounting.</u> The cost accounting system is: (Mark one. If B or C is marked, describe on a continuation sheet the costs which are accumulated on memorandum records.) A. <input type="checkbox"/> Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts.) B. <input type="checkbox"/> Not integrated with financial accounting records (Cost data are accumulated on memorandum records.) C. <input checked="" type="checkbox"/> Combination of A and B	
1.3.0	<u>Unallowable Costs.</u> Costs that are not reimbursable as allowable costs under the terms and conditions of Federally sponsored agreements are: (Mark one) A. <input type="checkbox"/> Specifically identified and recorded separately in the formal financial accounting records. ¹ B. <input type="checkbox"/> Identified in separately maintained accounting records or workpapers. ¹ C. <input type="checkbox"/> Identifiable through use of less formal accounting techniques that permit audit verification. ¹ D. <input checked="" type="checkbox"/> Combination of A, B or C ¹ E. <input type="checkbox"/> Determinable by other means. ¹	

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

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		NAME OF REPORTING UNIT University of Alaska Statewide System
Item No.	Item Description	
1.3.1	Treatment of Unallowable Costs. (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.)	
1.4.0	<u>Cost Accounting Period:</u> <u>7/1 to 6/30</u> (Specify the twelve month period used for the accumulation and reporting of costs under Federally sponsored agreements, e.g., 7/1 to 6/30. If the cost accounting period is other than the Institution's fiscal year used for financial accounting and reporting purposes, explain circumstances on a continuation sheet.)	
1.5.0	<u>State Laws or Regulations.</u> Identify on a continuation sheet any State laws or regulations which influence the institution's cost accounting practices, e.g., State administered pension plans, and any applicable statutory limitations or special agreements on allowance of costs.	

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 2</u>
		PART I - GENERAL INFORMATION
		NAME OF REPORTING UNIT University of Alaska Statewide System
Item No.	Item Description	
1.5.0	<p><u>State Laws or Regulations</u> The university is a separate corporation established under the Alaska Constitution. The state has delegated governance, including fiscal management, to the Board of Regents. The following Alaska Statutes may influence the university's cost accounting practices: AS.14.25: Teachers' Retirement System AS.14.40.310: Fiscal Year AS.36.30: State Procurement Code AS.37.07: Executive Budget Act AS.39.35: Public Employees' Retirement System</p> <p>End of Part</p>	

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		<u>Continuation Sheet # 1</u> PART VII - CENTRAL SYSTEM OR GROUP EXPENSES
		NAME OF REPORTING UNIT University of Alaska Statewide System
Item No.	Item Description	
7.1.0	<u>Organizational Structure</u> University of Alaska Statewide System University of Alaska Fairbanks University of Alaska Anchorage University of Alaska Southeast	
7.2.0	<u>Cost Accumulation and Allocation</u> A. The University of Alaska Statewide System (SW) provides the following services: General Administration General Counsel Human Resources Finance and Planning University Relations Network Services Information Services B. Costs of these services are accumulated in SW organization codes and funds. C. Accumulated costs are allocated to the benefiting campus segments based on modified total costs (MTC) excluding the depreciation and operations and maintenance cost pools. This allocation is part of the indirect cost rate calculation. D. There are no costs transferred from a segment to the SW system office. E. There are no fixed management fees charged to a segment in lieu of a pro rata or allocation basis. End of Part	