

THE UNIVERSITY OF TEXAS AT DALLAS

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



Revision 3 Date: August 1, 2006

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

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(FORM APPROVED OMB NUMBER
0348-0055)

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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 requirement 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 cost 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 Part 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 answer 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.

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GENERAL INSTRUCTIONS

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. In such cases, the reporting unit should provide the date of issuance and effective date for each accounting policy and/or procedures document cited. Alternatively, copies of the relevant parts of such documents may be attached as appendices to the pertinent Disclosure Statement Part. Such continuation sheets and appendices should be labeled and cross-referenced with the applicable Disclosure Statement item number. 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 of 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.

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.

**COST ACCOUNTING STANDARDS BOARD
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EDUCATIONAL INSTITUTIONS**

**THE UNIVERSITY OF TEXAS AT DALLAS
COVER SHEET AND CERTIFICATION**

0.1

Educational Institution

- (a) Name: The University of Texas At Dallas
(b) Street Address: 2601 North Floyd Road
(c) City, State and ZIP Code: Richardson, Texas 75080

0.2

Reporting Unit is: (Mark one.)

- A. Independently Administered Public Institution
B. Independently Administered Nonprofit Institution
C. 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
Wanda Mizutowicz, Associate VP for Business Affairs & Controller
(b) Phone Number
972-883-2602

0.4

Statement Type and Effective Date:

- A. (Mark type of submission. If a revision, enter number)

Revised

- (a) Original Statement
(b) Amended Statement; Revision No. 3

- B. Effective Date of this Statement: (Specify) August 1, 2006

0.5

Statement Submitted To (Provide office name, location and telephone number, include area code and extension):

- A. Cognizant Federal Agency: DHHS, Division of Cost Allocation
Cohen Building, Room 1067
Washington, DC 20201
(202) 401-2808
- B. Cognizant Federal Auditor: DHHS
Regional Inspector General For Audit Services
1100 Commerce Street Room 4A-5
Dallas, TX, 75242

- See next page

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**THE UNIVERSITY OF TEXAS AT DALLAS
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: August 8, 2006


(Signature)

Hobson Wildenthal
(Print or Type Name)

Executive Vice President & Provost
(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
		THE UNIVERSITY OF TEXAS AT DALLAS
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 type="checkbox"/> Accrual B. <input checked="" type="checkbox"/> Modified Accrual Basis <u>1/</u> C. <input checked="" type="checkbox"/> Cash Basis Y. <input type="checkbox"/> Other <u>1/</u>	
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. (Costs 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 items and conditions of Federally sponsored agreements are: (Mark one) A. <input type="checkbox"/> Specifically identified and recorded separately in the formal financial accounting record. <u>1/</u> B. <input type="checkbox"/> Identified in separately maintained accounting records or workpapers. <u>1/</u> C. <input type="checkbox"/> Identifiable through use of less formal accounting techniques that permit audit verification. <u>1/</u> D. <input checked="" type="checkbox"/> Combination of A, B or C. <u>1/</u> E. <input type="checkbox"/> Determinable by other means. <u>1/</u> <u>1/</u> Describe on a continuation Sheet.	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I – GENERAL INFORMATION
		THE UNIVERSITY OF TEXAS AT DALLAS
Item No.	Item Description	
1.3.1	<p><u>Treatment of Unallowable Costs</u></p> <p>(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.)</p>	
1.4.0	<p><u>Cost Accounting Period:</u></p> <p><u>9/1 to 8/31</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.)</p>	
1.5.0	<p><u>State Laws or Regulations</u></p> <p>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.</p> <p><u>1/</u> Describe on a Continuation Sheet.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET PART I – PAGE 1 OF 2
		THE UNIVERSITY OF TEXAS AT DALLAS
Item No.	Item Description	
1.1.0	<p data-bbox="310 478 1395 506"><u>Description of Cost Accounting System</u></p> <p data-bbox="310 506 1395 575">Direct costs are charged to sponsored agreements on a cash basis. Material year end expenses are estimated and accrued for annual financial report but estimated accruals are not charged to sponsors. Charges are based on actual expenditures.</p> <p data-bbox="310 611 1395 701">Indirect costs are based on the amounts reported in the official accounting system and reconciled with the annual financial report, which includes normal year end accruals for salaries, wages, accounts payable, etc.</p>	
1.2.0	<p data-bbox="310 716 1395 743"><u>Integration of Cost Accounting with Financial Accounting</u></p> <p data-bbox="310 806 1395 875">Direct costs charged to sponsored agreements are fully integrated in the formal financial accounting system.</p> <p data-bbox="310 911 1395 1022">Costs included in facilities and administrative (F&A) cost pools are based on cost information as reported in the formal accounting system. However, adjustments and reclassifications are made to distribute the information in the financial statements into the cost pools required by Circular A-21.</p> <p data-bbox="310 1058 1395 1457">The allocation of indirect costs and the development of F&A cost rates are derived outside the formal financial accounting system, but documentation, audit trail and references to the formal accounting data and the Annual Financial Report are kept on file. As noted in 3.1.0, some costs in the general administration and department administration pools are not accumulated by our financial accounting system and therefore must be accumulated through cost finding techniques or other calculations. Some costs paid by other organizations and allocated to UTD are included in UTD's indirect cost proposal. These costs include: administrative costs from State agencies allocated to UTD in accordance with a statewide cost allocation plan approved by DHHS and administrative costs of the UT System allocated annually to UTD from a cost allocation plan approved by DHHS. The allocation of indirect costs and the development of indirect cost rates are also accomplished through costs finding procedures which are not part of our financial accounting system.</p>	
1.3.0	<p data-bbox="310 1478 1395 1505"><u>Unallowable costs</u></p> <p data-bbox="310 1568 1395 1751">Unallowable costs must be charged to specific expense object codes in the accounting system. The costs recorded in these accounts are excluded from direct costs charged to sponsored agreements. All accounts assigned to un-allowed purposes (i.e., alumni relations and entertainment) are identified by the accounting system. Both specific expense object codes for unallowable costs and accounts assigned to unallowable purposes are excluded from F&A cost pools allocated to sponsored agreements.</p> <p data-bbox="310 1787 1395 1856">In addition, costs incurred for activities that are unallowable such as the development and public relations activities of UTD are identified at the account level and excluded.</p> <p data-bbox="1252 1856 1395 1875" style="text-align: right;">(continued)</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET PART I – PAGE 2 OF 2
		THE UNIVERSITY OF TEXAS AT DALLAS
Item No.	Item Description	
1.3.1	<p>(continued)</p> <p>Unallowable costs defined by A-21, which are allowed under specific conditions such as advertising, are identified through subcode and reviewed for appropriateness.</p> <p><u>Treatment of Unallowable Costs</u></p> <p>Unallowable costs are excluded from charges to federally sponsored agreements. Directly associated costs of unallowed activities as defined in CAS 505 will also be excluded from charges to federally sponsored agreements.</p> <p>As required by CAS 505, where unallowable costs would normally be part of a regular F&A cost allocation base, they will remain in the base. This will be accomplished by reclassifying unallowable costs as “Other Institutional Activities” and allocating F&A costs to these activities as part of the normal F&A cost allocation process. The classification of unallowable activities as Other Institutional Activities is required by section B.1d(3) of Circular A-21. UTD will treat all unallowable costs in this manner if the unallowable costs are the types of costs that would be included in the Modified Total Direct Cost (MTDC) base specified in section G.2 of Circular A-21. An exception to this treatment will be made for cost overruns and other unallowable direct costs of sponsored agreements. These costs will remain in the direct cost base of the sponsored projects if they are the types of costs that would be included in the MTDC base required by Circular A-21.</p>	
1.5.0	<p><u>State Laws or Regulations</u></p> <p>UTD is an agency of the State of Texas. The following State laws and regulations influence UTD’s cost accounting practices</p> <p>a. State University System Accounting Instructions</p> <p>Financial records and reports of UTD are maintained according to the requirements of the Board of Regents of the University of Texas System as developed to conform to the generally accepted accounting principles for colleges and universities and State of Texas accounting and reporting requirements</p> <p>b. Statewide Cost Allocation Plan and University of Texas System Administration Cost Allocation</p> <p>Costs incurred by various State agencies and the University of Texas System Administration that are included in approved cost allocation plans are included in the indirect cost rate proposal in the General Administration pool.</p> <p>c. Capitalization Threshold</p> <p>The State of Texas regulations define the capitalization threshold for equipment. See Section 4.4.0.</p> <p style="text-align: center;">- END OF PART -</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART II – DIRECT COSTS
	THE UNIVERSITY OF TEXAS AT DALLAS

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART II – DIRECT COSTS
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description																																			
2.4.0	<p><u>Description of Direct Personnel Services</u></p> <p>All personnel services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal service compensation costs, including applicable fringe benefits costs, if any, within each major institutional function or activity that is charged as direct personal services.)</p>																																			
2.5.0	<p><u>Method of Charging Direct Salaries and Wages</u></p> <p>(Mark the appropriate line(s) for each Direct Personnel 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.)</p> <table style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="text-align: left; padding-bottom: 5px;"><u>Direct Personal Services Category</u></th> <th style="text-align: center; padding-bottom: 5px;"><u>Faculty</u></th> <th style="text-align: center; padding-bottom: 5px;"><u>Staff</u></th> <th style="text-align: center; padding-bottom: 5px;"><u>Students</u></th> <th style="text-align: center; padding-bottom: 5px;"><u>Other</u></th> </tr> <tr> <th style="padding-bottom: 5px;"><u>1/</u></th> <th style="text-align: center; padding-bottom: 5px;">(1)</th> <th style="text-align: center; padding-bottom: 5px;">(2)</th> <th style="text-align: center; padding-bottom: 5px;">(3)</th> <th style="text-align: center; padding-bottom: 5px;">(4)</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">A. Payroll Distribution Method (individual time card/actual hours and rates)</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____x_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____x_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="padding: 5px;">B. Plan-Confirmation (budgeted, planned or assigned work activity, updated to reflect significant changes)</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="padding: 5px;">C. After-the-fact Activity Records (percentage distribution of employee activity)</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____x_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____x_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____x_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____x_____</td> </tr> <tr> <td style="padding: 5px;">D. Multiple Confirmation Records (employee reports prepared each academic term, to account for employee's activities, direct and indirect charges are certified separately.)</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> <td></td> </tr> <tr> <td style="padding: 5px;">Y. Other(s) <u>1/</u></td> <td colspan="4" style="border-top: 1px solid black; border-bottom: 1px solid black;">_____</td> </tr> </tbody> </table> <p style="margin-left: 20px; margin-top: 20px;"><u>1/</u> Describe on a Continuation Sheet.</p>	<u>Direct Personal Services Category</u>	<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other</u>	<u>1/</u>	(1)	(2)	(3)	(4)	A. Payroll Distribution Method (individual time card/actual hours and rates)	_____	_____x_____	_____x_____	_____	B. Plan-Confirmation (budgeted, planned or assigned work activity, updated to reflect significant changes)	_____	_____	_____	_____	C. After-the-fact Activity Records (percentage distribution of employee activity)	_____x_____	_____x_____	_____x_____	_____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) <u>1/</u>	_____			
<u>Direct Personal Services Category</u>	<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other</u>																																
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A. Payroll Distribution Method (individual time card/actual hours and rates)	_____	_____x_____	_____x_____	_____																																
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Y. Other(s) <u>1/</u>	_____																																			

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	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
2.5.1	<p><u>Salary and Wage Cost Distribution Systems</u></p> <p>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.)</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
2.5.2	<p><u>Salary and Wage Cost Accumulation System</u></p> <p>(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 wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records.)</p>
2.6.0	<p><u>Distribution of Direct Fringe Benefits Costs</u></p> <p>All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet <u>all</u> of the different types of fringe benefits which are classified and charged as direct costs, e.g., actual or accrued costs of vacation, holidays, sick leave, sabbatical leave, premium pay, social security, pension plans, post-retirement benefits other than pensions, health insurance, training, tuition, tuition remission, etc.)</p>
2.6.1	<p><u>Method of Charging Direct Fringe Benefits</u></p> <p>(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.)</p>
2.7.0	<p><u>Description of Other Direct Costs</u></p> <p>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, sub-grants, subcontracts, malpractice insurance, etc.)</p>

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Item No.	Item Description																												
2.8.0	<p><u>Cost Transfers</u></p> <p>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 account periods.) (Mark one. If "No," explain on a continuation sheet how the credit differs from original charge.)</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>																												
2.9.0	<p><u>Interorganizational Transfers</u></p> <p>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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Materials</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Supplies</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Services</u></th> </tr> <tr> <th></th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(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;">_ <u>x</u> _</td> <td style="text-align: center;">_ <u>x</u> _</td> <td style="text-align: center;">_ <u>x</u> _</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) <u>1/</u></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;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </tbody> </table>		<u>Materials</u>	<u>Supplies</u>	<u>Services</u>		(1)	(2)	(3)	A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	_ <u>x</u> _	_ <u>x</u> _	_ <u>x</u> _	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) <u>1/</u>	_____	_____	_____	Z. Interorganizational transfers are not applicable	_____	_____	_____
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2.1.0 Revised	<p><u>Criteria for Determining How Costs Are Charged to Federally Sponsored Agreement or Similar Cost Objectives</u></p> <p>UTD follows the provisions of sections D and E of Circular A-21 in determining the treatment of costs as direct or indirect (F&A). Costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy are treated as direct costs. Costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored agreement, instructional activity, or any other institutional activity are treated as F&A costs. UTD's F&A costs are consistent with the definitions of specific F&A cost categories in section F of Circular A-21.</p> <p>UTD also follows the guidelines in section F.6b of Circular A-21 which specify the normal treatment of certain costs commonly incurred by academic departments and organized research units.</p> <p>Every effort is made to classify costs incurred for the same purpose, in like circumstances, consistently as either direct or F&A costs. Contract and Grant Accounts Administration's online Handbook specifically addresses this issue to help accomplish this objective. Revision 3, August 1, 2006</p> <p>UTD maintains accounting records for all project-by-project mandatory cost sharing expenditures. Mandatory cost sharing costs recognized by the University include those costs that are allowable under applicable federal cost guidelines, originate from non-federal sources, are not applied to more than one federal cost sharing project, are provided for in the approved budget when required by the cognizant agency, and are verifiable from University accounting records. Revision 3, August 1, 2006</p> <p>Within academic departments and organized research units, major cost categories are treated as follows:</p> <ul style="list-style-type: none"> • Salaries and fringe benefits of faculty, professional staff (e.g., research associates), technicians, and students associated with effort on research projects, instructional activities and other direct cost objectives, are treated as direct costs. Tuition remissions provided to graduate students for work on research projects and teaching activities is also treated as a direct cost. Salaries and fringe benefits of faculty and professional staff associated with administrative activities are treated as F&A costs. Salaries and fringe benefits attributable to the administrative work (including bid and proposal preparation) of faculty (including department heads), and other professional personnel conducting research and/or instruction, shall be allowed at a rate of 3.6 percent of modified total direct costs. • Salaries and fringe benefits of administrative and clerical staff are normally treated as F&A costs, as required by section F.6.b of Circular A-21. However, in accordance with supplementary guidance on this subject issued by the Federal Office of Management and Budgets (OMB), these costs are treated as (continued)

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Item No.	Item Description
2.1.0	<p>(continued)</p> <p>direct costs when the nature of the work performed under a particular project requires an extensive amount of administrative or clerical support and the costs meet the general criteria for direct charging in Circular A-21 (i.e., can be identified specifically with the project). These situations are considered “unlike circumstances” under CAS 502. UTD has established specific policies on this subject in the Contract and Grant Accounts Administration Handbook, which parallel the supplementary OMB guidance</p> <ul style="list-style-type: none"> • The charges for laboratory supplies (e.g., chemicals, glassware, etc.), instructional supplies, animals, animal care and other specialized services, travel, contractual services, long distance telephone toll charges and the other items, enumerated in DS-2 answers 2.2.0 and 2.7.0, identifiable to research, instruction, or other direct cost objectives are treated as direct costs. • Special repair and maintenance requests involving internal building operations and equipment which are identifiable to research projects, instructional activities or other direct cost objectives, are treated as direct costs based on a cost-based charge system. Rent and other facility costs for off-campus facilities used to conduct research or other direct cost objectives are also treated as direct costs. <p>The costs of office supplies, postage, local (basic) telephone costs, and memberships are treated as F&A costs, except under the conditions specified in the Contract and Grant Administration Handbook, which UTD considers “unlike circumstances” under CAS 502.</p> <p>As indicated above, UTD’s policy permits direct charges for administrative and clerical salaries, office supplies, postage, local telephone expenses, and memberships only under exceptional circumstances consistent with section F.6.b of Circular A-21 and supplemental guidance issued by OMB. In implementing these policies, UTD 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 sponsoring agencies in grant applications and contract proposals. If the sponsoring agency accepts the cost as part of the direct proposal budget (i.e., does not specifically disapprove the item in the award or other notification) then UTD will consider the cost an appropriate direct cost of the project. Conversely, if the sponsoring agency specifically disapproves the cost, UTD will rely on the sponsoring agency’s judgment that the cost did not meet the criteria for direct charging and will treat the cost as an F&A cost, unless circumstances arise at a later date that justify direct charging of the costs.</p> <p>To assure consistent treatment of costs between sponsored agreements and non-sponsored activities, “Direct Charge Equivalents” (DCEs) are used to assign an appropriate amount of departmental general fund expenses directly to instruction and other non-sponsored direct cost objectives. DCEs are mathematical formulas which estimate the portion of general fund expenses that should be assigned directly to non-sponsored activities, and the portion that should be included in the Departmental Administration F&A cost pool. (See description of the accumulation of Departmental Administration expenses in answer 3.1.0.). The use of DCEs is a long established</p> <p style="text-align: right;">(continued)</p>

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	<p>(continued)</p> <p>accounting convention at academic institutions that is designed to help achieve (continued) consistent treatment of costs as required by Circular A-21 and CAS 502, and at the same time recognize the generally accepted accounting practices of the institutions.</p> <p>Administrative salaries and costs for normal department support activities are charged directly to non-federal sponsored projects if permitted by the sponsor's policies or otherwise approved by the sponsor. This practice has no negative impact on federally sponsored projects since these costs would otherwise have been included in the University's F&A allocation to federal projects.</p>
2.2.0	<p><u>Description of Direct Materials</u></p> <p>The principal types of materials and supplies charged directly to sponsored agreements and other direct cost objectives include:</p> <ul style="list-style-type: none"> • Research supplies (e.g., beakers and flasks, batteries, gaskets, enzymes) • Non-capitalized medical, scientific, and laboratory equipment, chemicals and gases, parts for machinery and equipment, computer parts and supplies and computer software • Photographic supplies • Drugs • Books and Periodicals
2.3.2	<p><u>Inventory from Central or Common, Institution-Owned Inventory</u></p> <p>UTD has a central source available for purchasing institution-owned inventory. UTD "Stores" purchases some consumable supplies in bulk, such as office supplies, copy machine supplies, janitorial supplies, electrical and plumbing supplies, lumber, etc. The inventory valuation method used is average costs. A computer program tracks the cost of all items in stock and adds to that the cost of any new purchases. "Stores" then determines the average cost of the stock inventory and charges that price to departments. A percentage mark up is included in the charging price, in order to recover the inventory handling expenses. The handling expenses are analyzed on an annual basis and the mark-up for the following fiscal year is adjusted accordingly.</p>
2.4.0	<p><u>Description of Direct Personnel Services</u></p> <p>Personnel services charged directly to sponsored research agreements include the salary and related benefits for the following classifications of employees:</p> <p>Faculty Administrative Professional Research Engineer Research Scientist Research Associate</p> <p style="text-align: right;">(continued)</p>

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Item No.	Item Description
	<p>(continued)</p> <p>Research support staff (e.g., machinists, scientific instrument makers) Technician Graduate Research Assistant Graduate Teaching Assistant Undergraduate student worker Other Professional</p> <p>The direct charges include salaries or wages and fringe benefits. In the case of graduate research assistants, direct charges may also include tuition remissions. Salaries or wages and fringe benefits of administrative and clerical staff are charged directly only under the conditions described in answer 2.1.0. For a complete description of fringe benefits, please see answer 2.6.0.</p>
<p>2.5.0</p> <p>Revised</p>	<p><u>Method of Charging Direct Salaries and Wages</u></p> <p>Employees are assigned to budgeted positions based on the agreement using a Position Funding Form. When payrolls are processed in the labor distribution system, salaries are distributed to the accounts based on the aforementioned assignments. Quarterly, at a minimum, after the salary distribution process is completed, effort reports are generated from the Payroll Distribution System and provided to the principal investigators for validation and certification. Any adjustments resulting from the principal investigators' review and validation of the time and effort reports are processed in the payroll distribution system using the Position Funding Change form. Revision 3, August 1, 2006</p> <p>Individual time sheets are used for hourly staff and student work study employees.</p>
<p>2.5.2</p>	<p><u>Salary and Wage Cost Accumulation System</u></p> <p>UTD uses a labor distribution system which is integrated with the general ledger and identifies the salaries by employee directly charged to sponsored programs and all other UTD accounts. Payroll costs are reconciled with the general ledger on a monthly basis and salary cost reports are distributed to the authorized individuals for their review. Salaries are entered into the Payroll System through the use of an Appointment Form. The form is routed through various departmental approvals including funds availability. The Appointment form includes the appropriate account numbers, the salary amount and the term of appointment. The payroll costs are distributed to the identified accounts during payroll processing. On a monthly basis, detail reports are distributed to the account responsible persons for review and validation. Any changes to the initial appointment are initiated through the use of an Assignment Add/Change form following the approval procedures. The Payroll department uses the Assignment Add/Change form data to reallocate any historical costs to the appropriate accounts.</p>
<p>2.6.0</p>	<p><u>Description of Direct Fringe Benefit Costs</u></p> <p>The following fringe benefits attributable to sponsored research, instruction and other direct cost objectives are treated as direct costs:</p> <p style="text-align: right;">(continued)</p>

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2.6.0	<p>(continued)</p> <ol style="list-style-type: none"> 1. <u>Insurance</u> - The State of Texas annually sets a rate to cover a portion of medical, disability and term life insurance for employees. This premium is shared with the employees who pay the remainder of their insurance premiums. 2. <u>Worker's Compensation Insurance -Unemployment Compensation Insurance</u> 3. <u>Retirement</u> - The State of Texas has joint contributory retirement plans for full-time faculty and staff (excludes student positions). The primary plan in which UTD employees participate is a defined benefit pension plan administered by the Teacher Retirement System of Texas. 4. <u>Optional Retirement Program</u> - It is available to faculty, certain staff, and high level administrative positions. 5. <u>Social Security and Medicare</u> 6. <u>Leave costs</u> Ordinary leave costs (i.e. sick, holiday, etc.) are included in the ongoing charges for salaries and wages. Terminal vacation payouts are charged to the Educational and General (E&G) fund for that portion of an employee's salary which is charged to an E&G account, and to the Terminal Vacation Pool for the portion of salary paid out of other accounts. 		
2.6.1	<p><u>Method of Charging Direct Fringe Benefits</u></p> <p>Fringe benefit costs are identified to each employee. The amount charged to each sponsored agreement is proportional to the percentage of effort or time devoted to the sponsored agreement by the employee.</p>		

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2.7.0	<p data-bbox="345 447 737 478"> <u>Description of Other Direct Costs</u> </p> <p data-bbox="345 506 1388 569"> Other items of cost directly identified with Federally sponsored agreements or similar cost objectives may include: </p> <ul data-bbox="394 600 1388 1178" style="list-style-type: none"> • Contractual services (e.g., soil analysis, cyclotron services, photographers, videotaping) • Patient care costs • Animals and animal care cost • Consulting and other specialty costs • Subcontracts • Travel • Equipment needed to meet specific project requirements • Alterations and renovations • Long distance telephone charges • Rent and other facility costs of off-campus facilities • Other professional services (e.g., architectural and engineering services) • Reproduction services • Service center costs • Maintenance agreements • Maintenance and repairs of machinery and equipment primarily purchased for and used by the sponsored program • Long distance telephone expenses <p data-bbox="760 1843 971 1875" style="text-align: center;"> - END OF PART - </p>		

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

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3.1.0	<p><u>Indirect Cost Categories – Accumulation and Allocation</u></p> <p>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 other 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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;"><u>Indirect Cost Category</u></th> <th style="text-align: center; padding: 5px;"><u>Accumulation Method</u></th> <th style="text-align: center; padding: 5px;"><u>Allocation Base Code</u></th> <th style="text-align: center; padding: 5px;"><u>Allocation Sequence</u></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">(a) Depreciation/Use Allowances/Interest Building</td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>L</u></td> <td style="text-align: center; padding: 5px;"><u>1</u></td> </tr> <tr> <td style="padding: 5px;">Capital Improvements to Land <u>1/</u></td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>H & J</u></td> <td></td> </tr> <tr> <td style="padding: 5px;">Interest <u>1/</u></td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>L</u></td> <td></td> </tr> <tr> <td style="padding: 5px;">(b) Operation and Maintenance</td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>L</u></td> <td style="text-align: center; padding: 5px;"><u>2</u></td> </tr> <tr> <td style="padding: 5px;">(c) General Administration and General Expense</td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>C</u></td> <td style="text-align: center; padding: 5px;"><u>3</u></td> </tr> <tr> <td style="padding: 5px;">(d) Departmental Administration</td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>C</u></td> <td style="text-align: center; padding: 5px;"><u>4</u></td> </tr> <tr> <td style="padding: 5px;">(e) Sponsored Projects Administration</td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>C</u></td> <td></td> </tr> <tr> <td style="padding: 5px;">(f) Library</td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>P</u></td> <td></td> </tr> <tr> <td style="padding: 5px;">(g) Student Administration and Services</td> <td style="text-align: center; padding: 5px;"><u>Yes</u></td> <td style="text-align: center; padding: 5px;"><u>Y</u></td> <td></td> </tr> <tr> <td style="padding: 5px;">(h) Other <u>1/</u></td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> <td></td> </tr> </tbody> </table> <p style="padding: 5px;"><u>1/</u> Describe on a Continuation Sheet.</p>	<u>Indirect Cost Category</u>	<u>Accumulation Method</u>	<u>Allocation Base Code</u>	<u>Allocation Sequence</u>	(a) Depreciation/Use Allowances/Interest Building	<u>Yes</u>	<u>L</u>	<u>1</u>	Capital Improvements to Land <u>1/</u>	<u>Yes</u>	<u>H & J</u>		Interest <u>1/</u>	<u>Yes</u>	<u>L</u>		(b) Operation and Maintenance	<u>Yes</u>	<u>L</u>	<u>2</u>	(c) General Administration and General Expense	<u>Yes</u>	<u>C</u>	<u>3</u>	(d) Departmental Administration	<u>Yes</u>	<u>C</u>	<u>4</u>	(e) Sponsored Projects Administration	<u>Yes</u>	<u>C</u>		(f) Library	<u>Yes</u>	<u>P</u>		(g) Student Administration and Services	<u>Yes</u>	<u>Y</u>		(h) Other <u>1/</u>	_____	_____	
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	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description																																			
3.2.0	<p><u>Service Centers</u></p> <p>Service centers are departments or functional units which perform specific technical or administrative services primarily for the benefit of other units within a reporting unit. Service Centers include "recharge centers" and the "specialized service facilities" defined in Section J of Circular A-21. (The codes identified below should be inserted on the appropriate line for each service center listed. The column numbers correspond to the paragraphs listed below that provide the codes. Explain on a Continuation Sheet if any of the services are charged to users on a basis other than usage of the services. Enter "Z" in Column 1, if not applicable.)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> <th style="text-align: center;">(5)</th> <th style="text-align: center;">(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Telecommunications Service Center</td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>B</u></td> </tr> <tr> <td>(b) Animal Care Center</td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>B</u></td> </tr> <tr> <td>(c) Physical Plant</td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>B</u></td> </tr> <tr> <td>(d) Space Science Center Support Costs 1/</td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>C</u></td> <td style="text-align: center;"><u>Y</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>B</u></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 "C" 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 variances between billed and actual costs 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) Telecommunications Service Center	<u>C</u>	<u>C</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>B</u>	(b) Animal Care Center	<u>A</u>	<u>C</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>B</u>	(c) Physical Plant	<u>C</u>	<u>C</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>B</u>	(d) Space Science Center Support Costs 1/	<u>C</u>	<u>C</u>	<u>Y</u>	<u>A</u>	<u>A</u>	<u>B</u>
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART III – INDIRECT COSTS
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description																														
3.3.0	<p><u>Indirect Cost Pools and Allocation Bases</u></p> <p>(Identify all of the indirect cost 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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; width: 80%;"><u>Indirect Cost Pools</u></th> <th style="text-align: center; width: 20%;"><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td colspan="2">A. Instruction</td> </tr> <tr> <td style="padding-left: 40px;"><u> X </u> On-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 40px;"><u> X </u> Off-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 40px;"><u> </u> Other <u> 1/ </u></td> <td style="text-align: center;"><u> Z </u></td> </tr> <tr> <td colspan="2">B. Organized Research</td> </tr> <tr> <td style="padding-left: 40px;"><u> X </u> On-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 40px;"><u> X </u> Off-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 40px;"><u> </u> Other <u> 1/ </u></td> <td style="text-align: center;"><u> Z </u></td> </tr> <tr> <td colspan="2">C. Other Sponsored Activities</td> </tr> <tr> <td style="padding-left: 40px;"><u> X </u> On-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 40px;"><u> X </u> Off-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 40px;"><u> </u> Other <u> 1/ </u></td> <td style="text-align: center;"><u> Z </u></td> </tr> <tr> <td colspan="2">D. Other Institutional Activities <u> 1/ </u></td> </tr> <tr> <td style="padding-left: 100px;"></td> <td style="text-align: center;"><u> </u></td> </tr> </tbody> </table>	<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<u> X </u> On-Campus	<u> D </u>	<u> X </u> Off-Campus	<u> D </u>	<u> </u> Other <u> 1/ </u>	<u> Z </u>	B. Organized Research		<u> X </u> On-Campus	<u> D </u>	<u> X </u> Off-Campus	<u> D </u>	<u> </u> Other <u> 1/ </u>	<u> Z </u>	C. Other Sponsored Activities		<u> X </u> On-Campus	<u> D </u>	<u> X </u> Off-Campus	<u> D </u>	<u> </u> Other <u> 1/ </u>	<u> Z </u>	D. Other Institutional Activities <u> 1/ </u>			<u> </u>
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3.4.0	<p><u>Composition of Indirect Cost Pools</u></p> <p>(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.) <u> 1/ </u></p>																														

1/ Describe on a Continuation Sheet.	
COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART III – INDIRECT COSTS
	THE UNIVERSITY OF TEXAS AT DALLAS
Item No.	Item Description
3.5.0	<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, are included, e.g. materials, salaries and wages, fringe benefits, and travel costs; and excluded, e.g. subcontract costs over the first \$25,000. Where applicable, explain if the 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 base used, and the frequency of each recurring study.
3.6.0	<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 organization? A. <u> X </u> Yes B. _____ No
1/ Describe on a Continuation Sheet.	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART III - PAGE 1 OF 5
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
3.1.0	<p><u>Indirect Cost Categories – Accumulation and Allocation</u></p> <p>(a) Capital Improvements Depreciation – Capital improvements to land are classified as expenses if they are below \$100,000. If capitalized, they are treated similarly as other capital projects.</p> <p>(b) Interest – This category consists of interest on debt associated with buildings and capital improvements. Debt is managed by UT System Finance Office, but UTD receives periodic reports on interest and principal payments applicable to the various buildings. Based on this information, interest is capitalized to the various buildings.</p>
3.2.0	<p><u>Service Centers</u></p> <p><u>Space Science Center Centralized Costs</u></p> <p>Space Science Center distributes costs of copy machines and telephone to the various contracts based on the percentage of effort (salaries and wages) charged to these contracts and grants.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART III - PAGE 2 OF 5
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
3.4.0	<p><u>Composition of Indirect Cost Pools</u></p> <p><u>Depreciation on Buildings, Equipment, and Land Improvements</u></p> <p>The depreciation pool includes depreciation expense of buildings, fixed equipment, moveable equipment, and infrastructure depreciation. UTD buildings have been componentized in a cost study by American Appraisal's building study. This study documents depreciation expense on a "by building" basis. The summarized data is recorded in UTD's formal accounting system. The details are kept in an Excel spreadsheet. The depreciation pool excludes any portion of the capitalized cost borne by or donated by the Federal Government.</p> <p><u>Interest</u></p> <p>The interest expense in this cost pool is interest on debt associated with buildings, capital equipment, and capital improvements as defined in sections J.26 of Circular A-21. UTD's debt service is administered by UT System finance office. Once per year UTD receives from UT System an accounting of interest payments for the year, and capitalizes that interest to the respective fixed asset. These entries are reflected in the formal accounting system.</p> <p><u>Operations and Maintenance (O&M)</u></p> <p>The O&M cost pool consists of expenses incurred for the administration, supervision, operation, maintenance of buildings, repairs and normal alterations on buildings, care of grounds, custodial services, environmental safety and campus security. It also includes its allocable share of fringe benefit costs and depreciation.</p> <p><u>General Administration and General Expenses (G&A)</u></p> <p>The G& A cost pool consists of expenses for the general executive and administrative offices and other expenses of a general character which do not relate solely to any major function of the institution. This cost pool at UTD encompasses component's functions such as: payroll, business offices, human resources, and internal audit. In addition, a variety of other central administrative functions such as expenses in the offices of the President, the Executive VP for Academic Affairs, Senior VP for Student Affairs, Senior VP for Business Services and Provost are included in this cost pool. This expense category also includes its allocable share of fringe benefits, operation and maintenance, and depreciation and interest expense.</p> <p><u>Departmental Administration (DA)</u></p> <p>The Departmental Administration (DA) cost pool consists of expenses for the administrative and support services that benefit common or joint departmental activities of objectives in the academic deans' offices, academic departments and divisions, and organized research units.</p> <p style="text-align: right;">(continued)</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART III - PAGE 3 OF 5
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
3.4.0	<p>(continued)</p> <p>DA expenses also include an appropriate share of fringe benefits, general administration and general expenses, operation and maintenance expenses, depreciation and interest expense.</p> <p><u>Sponsored Project Administration</u></p> <p>Sponsored project administration represents a separate organization within the institution that has been established to administer sponsored agreements, regardless of the funding source. The primary elements in this pool are the costs associated with sponsored projects. This category also includes an allocable share of fringe benefits, general administrative, operation and maintenance, depreciation and interest expense.</p> <p><u>Library Costs</u></p> <p>This pool consists of the cost of operating the university's libraries, including the cost of books and library materials purchased for the library. This category also includes an allocable share of fringe benefits, general administrative, operation and maintenance, depreciation and interest expense.</p> <p><u>Student Administration and Services</u></p> <p>The student administration and services cost pool consists of expenses for the administration of student affairs and for services to students, including expenses of such activities as dean of students, admissions, registrar, student counseling and placement services, student advisers, and the Senior VP of Student Affairs. This category also includes an allocable share of fringe benefits, general administrative, operation and maintenance, depreciation and interest expense.</p> <p><u>Composition of Allocation Bases</u></p> <p><u>Depreciation on Building, Equipment, and Land Improvements</u></p> <p>UTD's Buildings have been componentized by American Appraisal's building study. Building depreciation is allocated on a building-by-building basis among the functions performed in each building (e.g., organized research, instruction, etc.) based on the amount of net assignable square feet occupied by each function. Functional usage is determined on a room-by-room basis through a space inventory and functional use survey, which assigns a specific percentage to each function performed in each room.</p> <p>The University's equipment system identifies the items to buildings so equipment depreciation is also identified to buildings. Depreciation is allocated based on functional use(s) of the building in which the equipment is located.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART III - PAGE 4 OF 5
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
3.5.0	<p><u>Improvements, Infrastructure and Interest Expense</u></p> <p>The depreciation for Improvements and Infrastructure is allocated in compliance with OMB A-21. The depreciation is allocated based on modified full time equivalencies for students and employees. Interest costs are capitalized to the buildings to which the interest relates and is allocated on the same basis as depreciation on the buildings, equipment and land improvements.</p> <p><u>Operations and Maintenance</u></p> <p>Operation and Maintenance expenses are allocated based on square footage. The specific allocation methodology for these expenses is the same as depreciation, except that campus-wide square footage, rather than building-by-building square footage, is used to allocate the expenses.</p> <p><u>General Administration and General Expenses</u></p> <p>General Administration and General Expenses are allocated based on Modified Total Costs (MTC). MTC consist of salaries and wages, fringe benefits, materials and supplies, services, Travel and sub-awards up to the first \$25,000 of each sub-award (regardless of the period covered by the sub-award). The following cost elements are excluded from the MTC base: equipment that meets UTD’s capitalization threshold, other capital expenditures, charges for tuition remissions, scholarships and fellowships, and the portion of each sub-award in excess of \$25,000.</p> <p><u>Departmental Administration Expenses</u></p> <p>Departmental Administration expenses are allocated based on Modified Total Costs (MTC), which consists of the same cost elements as the MTC base used to allocate General Administration and General Expenses. As stipulated in section F.6 of <i>Circular A-21</i>, the administrative expenses of the dean’s office of each college and school are allocated to the academic departments and other organizational units within that college or school. The administrative expenses of each department, plus the department’s share of the dean’s office costs, are allocated to the direct functions within that department.</p> <p><u>Sponsored Projects Administration</u></p> <p>Sponsored Projects Administration is allocated based on the MTC of the sponsored projects within each major function, i.e. Instruction, Organized Research and Other Sponsored Activities. MTC for this purpose consists of the same cost elements as the allocation base for General and Departmental Administration.</p> <p><u>Library</u></p> <p>The Library MTC expenses are allocated using the default “FTE and salary” methodology contained in A-21.</p> <p style="text-align: right;">(continued)</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART III - PAGE 5 OF 5
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
3.5.0	<p>(continued)</p> <p><u>Student Administration and Services</u></p> <p>The Student Administration and Services cost pool is allocated entirely to the instruction function in accordance with the standard base in section F.9.b of <i>Circular A-21</i>.</p> <p><u>Final Distribution Base</u></p> <p>The final distribution base (i.e., the base used to allocate the accumulated F&A costs of each major function to sponsored agreements within that function) is also MTC and consists of the same cost elements as the base for allocating the administrative cost pools noted above.</p> <p style="text-align: center;">- END OF PART -</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART IV – DEPRECIATION AND USE ALLOWANCES THE UNIVERSITY OF TEXAS AT DALLAS
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Item No.	Item Description																																																						
4.1.0	<p style="text-align: center;">Part IV</p> <p><u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For each asset category listed below, enter a code from A through C in Column (1) describing the method of depreciation; a code from A through D in Column (2) describing the basis for determining useful life; a code from A through C in Column (3) describing how depreciation methods or use allowances are applied to property units; and Code A or B in Column (4) indicating whether or not the estimated residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column (1) only, if an asset category is not applicable.)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Asset Category</th> <th style="text-align: center; border-bottom: 1px solid black;">Depreciation Method* (1)</th> <th style="text-align: center; border-bottom: 1px solid black;">Useful Life* (2)</th> <th style="text-align: center; border-bottom: 1px solid black;">Property Units* (3)</th> <th style="text-align: center; border-bottom: 1px solid black;">Residual Value* (4)</th> </tr> </thead> <tbody> <tr> <td>(a) Land Improvement</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(b) Buildings</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>(c) Building 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>(d) Leasehold Improvements</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> </tr> <tr> <td>(e) Equipment</td> <td style="text-align: center;">A</td> <td style="text-align: center;">Y</td> <td style="text-align: center;">A</td> <td style="text-align: center;">A</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;">B</td> <td style="text-align: center;">A</td> </tr> <tr> <td>(g) Automobiles and Trucks</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;">A</td> </tr> <tr> <td>(h) Tools</td> <td style="text-align: center;">A</td> <td></td> <td style="text-align: center;">A</td> <td style="text-align: center;">A</td> </tr> <tr> <td>(i) Enter Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category (Otherwise enter Code Z).</td> <td style="text-align: center;">A</td> <td style="text-align: center;">Y</td> <td style="text-align: center;">B</td> <td style="text-align: center;">B</td> </tr> </tbody> </table> <p style="text-align: center;">* see continuation page</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> <u>Column (1)-Depreciation Method Code</u> A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method <u>1</u> </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <u>Column (2)-Useful Life Code</u> A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21 Y. Other or More than one method <u>1/</u> </td> </tr> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> <u>Column (3)-Property Unit Code</u> 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 <u>1/</u> </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <u>Column (4)-Residual Value</u> A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method <u>1/</u> </td> </tr> </table> <p><u>1/</u> Describe on a Continuation Sheet</p>	Asset Category	Depreciation Method* (1)	Useful Life* (2)	Property Units* (3)	Residual Value* (4)	(a) Land Improvement	Z				(b) Buildings	A	Y	A	B	(c) Building Improvements	A	Y	A	B	(d) Leasehold Improvements	Z				(e) Equipment	A	Y	A	A	(f) Furniture and Fixtures	A	Y	B	A	(g) Automobiles and Trucks	A	Y	A	A	(h) Tools	A		A	A	(i) Enter Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category (Otherwise enter Code Z).	A	Y	B	B	<u>Column (1)-Depreciation Method Code</u> A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method <u>1</u>	<u>Column (2)-Useful Life Code</u> A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21 Y. 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(h) Tools	A		A	A																																																			
(i) Enter Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category (Otherwise enter Code Z).	A	Y	B	B																																																			
<u>Column (1)-Depreciation Method Code</u> A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method <u>1</u>	<u>Column (2)-Useful Life Code</u> A. Replacement Experience B. Term of Lease C. Estimated service life D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21 Y. Other or More than one method <u>1/</u>																																																						
<u>Column (3)-Property Unit Code</u> 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 <u>1/</u>	<u>Column (4)-Residual Value</u> A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method <u>1/</u>																																																						

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART IV – DEPRECIATION AND USE ALLOWANCES THE UNIVERSITY OF TEXAS AT DALLAS
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Item No.	Item Description
4.1.1	<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.) A. <input checked="" type="checkbox"/> Yes <u>1/</u> B. <input type="checkbox"/> No <u>1/</u>
4.2.0	<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.) A. <input type="checkbox"/> Yes B. <input checked="" type="checkbox"/> No
4.3.0	<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.) A. <input checked="" type="checkbox"/> Excluded from determination of sponsored agreement costs B. <input type="checkbox"/> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged C. <input type="checkbox"/> Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved Y. <input type="checkbox"/> Other(s) <u>1/</u> Z. <input type="checkbox"/> Not applicable
4.4.0	<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.) A. Minimum Dollar Amount <u>\$5,000.00</u> B. Minimum Life Years <u>over 1</u>
4.5.0	<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? (Mark one.) A. <input checked="" type="checkbox"/> Yes <u>1/</u> B. <input type="checkbox"/> No <u>1/ Describe on a Continuation Sheet.</u>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART IV – PAGE 1 OF 1
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
4.1.0	<p><u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives</u></p> <p>The University does not currently have any Leasehold Improvements. Another depreciated asset category is Infrastructure (See (i) under 4.1.0). Infrastructure costs of \$500,000 and above are capitalized and depreciated. UTD does not depreciate Land Improvements.</p> <p>For Building, Building Improvements and Infrastructure Costs, useful lives were determined by American Appraisal Associates which used as guidance the State of Texas Property Accounting Manual along with their analysis, investigation and discussion with UTD staff to determine institutional experience.</p> <p>For all other assets, UTD uses State of Texas established useful lives as reflected in the State Property Accounting Manual published by the State of Texas Controller’s Office. As provided by the state policy, UTD has the option of adjusting the useful lives if it determines that the adjustment will more accurately reflect the actual life of the asset. Revision 2, Effective January 6, 2006</p>
4.1.1	<p><u>Asset Valuations and Useful Lives</u></p> <p>Asset valuations used in the F&A cost proposal are consistent with those used in the financial statements. The asset valuations referred to in this response are the historical cost of the assets.</p>
4.4.0	<p><u>Criteria for Capitalization</u></p> <p>Buildings and Facilities Improvement costs in excess of \$100,000 are also capitalized. Infrastructure costs in excess of \$500,000 are capitalized.</p>
4.5.0	<p><u>Group or Mass Purchase</u></p> <p>Original purchases of furniture and equipment when furnishing newly acquired or constructed buildings are bundled and depreciated as a single property unit. Usually 1% residual value is used and useful life is determined based on the nature of the items.</p> <p style="text-align: center;">- END OF PART -</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART V – OTHER COST AND CREDITS
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
	<p style="text-align: center;">Part V</p> <p>5.1.0 <u>Method of Charging Leave Costs.</u> Do you charge vacation, sick, holiday and sabbatical leave costs to sponsored agreements on the cash basis of accounting (i.e., when the leave is taken or paid), or on the accrual basis of accounting (when the leave is earned)? (Mark applicable line(s))</p> <p>A. <input checked="" type="checkbox"/> Cash</p> <p>B. <input checked="" type="checkbox"/> Accrual <u>1/</u></p> <p>5.2.0 <u>Applicable Credits.</u> This item is directed at the treatment of “applicable credits” as defined in Section C of OMB Circular A-21 and other incidental receipts (e.g., purchase discounts, insurance refunds, library fees and fines, parking fees, etc.). (Indicate how the principal types of credits and incidental receipts the institution receives are usually handled.)</p> <p>A. <input type="checkbox"/> The credits/receipts are offset against the specific direct or indirect costs to which they relate.</p> <p>B. <input type="checkbox"/> The credits/receipts are handled as general adjustment to the indirect pool.</p> <p>C. <input type="checkbox"/> The credits/receipts are treated as income and are not offset against costs.</p> <p>D. <input checked="" type="checkbox"/> Combination of methods <u>1/</u></p> <p>Y. <input type="checkbox"/> Other <u>1/</u></p> <p><u>1/</u> Describe on a Continuation Sheet.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART V – PAGE 1 OF 1
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
5.1.0	<p><u>Methods of Charging Leave Costs</u></p> <p>On-going leave costs are charged to sponsored programs as they are taken. When an employee working and charging time to a contract or grant account leaves the University, the accumulated vacation costs are charged to a reserve fund and not the contract or grant account. The reserve fund had been accumulated by charging a small percentage on all salary costs, including costs in sponsored programs. The charging process has been suspended due to a sufficient amount of reserve.</p> <p>An analysis of the current accumulated reserve amount determined that the reserve balance had increased primarily as the result of not liquidating the reserve when paying terminal vacation for employees funded by the University's Educational and General (E&G) fund. This practice did not impact federal or any other sponsored program accounts. We plan to adjust the reserve by returning the excess balance to the E&G fund. In addition, we formulated a new policy to address this issue which will be implemented September 1, 2006, the beginning of fiscal year 2007.</p> <p>Under this policy an Accrued Vacation and Sick Pay Pool will be maintained to pay the costs of accrued vacation benefits to employees upon termination of their employment and payments of accrued vacation and sick leave to the estates of deceased employees. The Pool will be funded by a payroll assessment against the funds paying salaries of vacation eligible persons. The assessments will be posted to budgetary accounts consistent with the methodology used to charge other benefit costs.</p> <p>When an employee terminates employment or is deceased, the Pool will fund the termination pay of accrued vacation and sick leave, as required by state law. The assessment rate will be adjusted each year as a part of the operating budget development process.</p>
5.2.0	<p><u>Applicable Credits</u></p> <p>True applicable credits, such as refunds and purchase discounts, are offset against the direct or F&A costs to which they relate. Incidental receipts, such as library fees and fines, are treated as income and are not offset against costs.</p> <p>D. Combination of Methods</p> <p>Purchase discounts are taken at the time of payment and applied to the specific direct or indirect costs to which they apply. Other applicable credits are credited back to the specific expenditures to which the credit relates. Fees for Parking (an Auxiliary function) are revenues and are not treated as applicable credits.</p> <p>Library fees and fines have been treated as revenue in the past. In future F&A proposals, Library fees and fines will be credited against library pools expenses in compliance with OMB A-21 section F. 8.a.</p> <p style="text-align: center;">- END OF PART -</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART VI – DEFERRED COMPENSATION AND INSURANCE COSTS
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description												
	Part VI												
	<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, and the reporting unit does not have access to the information needed to complete an item, the reporting unit should require that entity to complete the applicable portions of this Part VI. (See item 4, page (i), General Instructions)</p>												
6.1.0	<u>Pension Plans.</u>												
6.1.1	<p>Defined-Contribution Pension Plans. Identify the types and number of pension plans whose costs are charged to Federally sponsored agreements. (Mark applicable line(s) and enter number of plans.)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 70%; text-align: center;"><u>Type of Plan</u></th> <th style="width: 20%; text-align: center;"><u>Number of Plans</u></th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>_____ Institution employees participate in State/Local Government Retirement Plan(s).</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>B.</td> <td><u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution</td> <td style="text-align: center;">_____ <u> 1 </u> _____</td> </tr> <tr> <td>C.</td> <td>_____ Institution has its own Defined Contribution Plan <u>1/</u></td> <td style="text-align: center;">_____</td> </tr> </tbody> </table>		<u>Type of Plan</u>	<u>Number of Plans</u>	A.	_____ Institution employees participate in State/Local Government Retirement Plan(s).	_____	B.	<u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	_____ <u> 1 </u> _____	C.	_____ Institution has its own Defined Contribution Plan <u>1/</u>	_____
	<u>Type of Plan</u>	<u>Number of Plans</u>											
A.	_____ Institution employees participate in State/Local Government Retirement Plan(s).	_____											
B.	<u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	_____ <u> 1 </u> _____											
C.	_____ Institution has its own Defined Contribution Plan <u>1/</u>	_____											
6.1.2	<p>Defined-Benefit Pension Plan. (For each defined-benefit plan (other than plans that are part of a State or Local government pension plan) describe on a continuation sheet the actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)</p> <p>In addition to the defined-contribution pension plan indicated in 6.1.1, UTD employees have an option to participate in the Teacher Retirement System (TRS) defined-benefit pension plan, a state of Texas retirement plan. Revision 3, August 1, 2006</p>												
Revised													
	<u>1/</u> 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
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
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.) Z. <input checked="" type="checkbox"/> Not Applicable
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 used, 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 checked="" type="checkbox"/> When accrued (book accrual only) B. <input type="checkbox"/> When contributions are made to a non-forfeitable fund C. <input type="checkbox"/> When contributions are made to a forfeitable fund D. <input type="checkbox"/> When the benefits are paid to an employee E. <input type="checkbox"/> When the amounts are paid to an employee welfare plan Y. <input type="checkbox"/> Other or more than one method <u>1/</u> Z. <input 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.) A. <input type="checkbox"/> When claims are paid or losses are incurred 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 <u>1/</u> Y. <input checked="" type="checkbox"/> Other or more than one method <u>1/</u> Z. <input type="checkbox"/> Not Applicable
	<u>1/ Describe on a Continuation Sheet.</u>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART VI – PAGE 1 OF 1
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
6.4.1	<p><u>Worker's Compensation and Liability</u></p> <p>The response to 6.4.1 applies only to worker's compensation insurance, not liability.</p> <p>The cost of workers' compensation self-insurance is charged as a percentage of salary costs and is distributed to the same accounts as the salaries and in the same proportion to the salary distribution. An exception exists in the State of Texas funded accounts, where the workers' compensation costs are charged to a pool account to accommodate the State of Texas accounting and reporting requirements.</p>
6.4.2	<p><u>Casualty Insurance</u></p> <p>Auto Liability – Departments with University-owned vehicles share in the cost of auto liability insurance. The cost of insurance is divided proportionally according to the number of vehicles owned.</p> <p>All other insurance programs (for example, Directors and Officers and Employee Practice Plan Liability, Property, Crime Policy) are paid from a general fund and are considered a part of overhead costs.</p> <p>UTD also self-insurances for liability but no costs are charged to sponsored agreements, directly or indirectly.</p> <p style="text-align: center;">- 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
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
<p>7.1.0</p> <p>7.2.0</p>	<p style="text-align: center;">Part VII</p> <p>This part should be completed only 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></p> <p>On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDCs), Government-owned Contractor-operated (GOCO) facilities, and lower tier group offices serviced by the reporting unit.</p> <p><u>Cost Accumulation and Allocation.</u></p> <p>On a continuation sheet, provide a description of:</p> <ul style="list-style-type: none"> • The services provided to segments of the university or university system (including hospitals, FFRDCs, GOCO facilities, etc.), in brief. • How the costs of the services are identified and accumulated. • The basis used to allocate the accumulated costs to the benefiting segments. • Any costs that are transferred from a segment to the central system office or the intermediate administrative office, and which are reallocated to another segment(s). If none, so state. • 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><u>1/</u> Describe on a Continuation Sheet.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART VII – PAGE 1 OF 2
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
7.1.0	<p>The following component institutions comprise The University of Texas System:</p> <p>The University of Texas System Administration</p> <p>Academic Components:</p> <ul style="list-style-type: none"> The University of Texas at Arlington The University of Texas at Austin The University of Texas at Brownsville The University of Texas at Dallas The University of Texas at El Paso The University of Texas Pan American The University of Texas of the Permian Basin The University of Texas at San Antonio The University of Texas at Tyler <p>Health Components:</p> <ul style="list-style-type: none"> The University of Texas Southwestern Medical Center at Dallas The University of Texas Medical Branch at Galveston The University of Texas Health Science Center at Houston The University of Texas Health Science Center at San Antonio The University of Texas M.D. Anderson Cancer Center The University of Texas Health Center at Tyler
7.2.0	<p>A. The UT System Administration provides the following services to the component institutions:</p> <ul style="list-style-type: none"> Airplane Operations Asset Management Business and Administrative Services Development and External Relations Employee Group Insurance Program Endowment Administration Real Estate Office Environmental Affairs Facilities Planning and Construction General Counsel Governmental Relations Health Care Quality and Risk Management Historically Underutilized Business Programs Human Resources News and Public Information Police System Audit Office University West Texas Lands Operations Videoconferencing

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET PART VII – PAGE 2 OF 2
	THE UNIVERSITY OF TEXAS AT DALLAS

Item No.	Item Description
7.2.0	B. The costs of services provided by The University of Texas System Administration and the interest expenditures from the Permanent University Fund Bonds are accumulated using a separate series of accounts on the administrative computer of The University of Texas at Austin. Relevant costs are identified through the use of account groups and/or object codes.
7.2.0	C. System Administration allowable costs of services as defined by OMB Circular A-21 are allocated proportionally to the component institutions based on each institution's total current expenditures less current funds capital outlay and student financial aid costs.
7.2.0	D. Physical Plant expenditures related to System Administration are paid by UT Austin. For purposes of calculating indirect costs, these expenditures are transferred to System Administration and excluded from the indirect costs calculations of UT Austin.
7.2.0	E. There are no fixed management fees charged to a segment in lieu of a prorate or allocation basis for these charges.

- END OF PART -