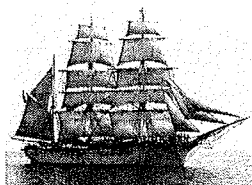


Sailing Smoothly Over the C's of Cost Accounting Standards



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Office of Management & Budget (OMB)

- OMB Circular A-21
- Cost Accounting Standards (CAS)

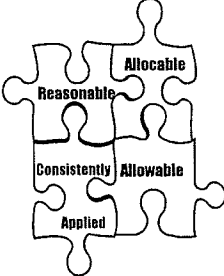
Understanding F&A Costs & Other A-21 Issues

Direct Costs

- Reasonable
- Allowable
- Allocable
- Consistently Applied


Direct Costs

- Salaries/Wages
- Fringe Benefits
- Materials & Supplies
- Travel
- Equipment
- Subcontract
- Consultant
- Student (Training Grants)
- Patient Care



Unallowable Costs

- Always Unallowable
- Unallowable as Direct Costs
- General-Purpose Costs



Cost Accounting Standards

- Consistency in estimating, accumulating and reporting costs (CAS 501)

Spend the money as you proposed in the budget

Cost Accounting Standards

- Consistency in allocating costs incurred for the same purpose (CAS 502)

Administrative costs cannot be charged directly to a federal sponsored project...EXCEPTIONS

Exceptions

- Major Project
- Non-Major Project

Understanding F&A Costs & Other A-21 Issues

Major Project

- Large Complex Program
- Extensive Data Collection
- Conferences/Symposiums
- Manual Preparation/Production
- Geographically Inaccessible
- Multiple Project-Related Investigator

Major Project (Continued)

Examples

- Scientist/Multi-Institution Collaboration
 - Clerical Supplies, Postage, Duplicating, Network
- Manual Preparation/Production
 - Word Processor Salary, Network, Printer Supplies, Duplicating and Postage

Major Project

- Does Not Guarantee Exemption
- Does Not Guarantee Allowability of All General-Purpose Costs

Non-Major Project/Line Item

- Different Purpose
- Not a Major Project
- Warrants some General Purpose Costs
- Required for the Scope of Work
- Above & beyond normal level of General Purpose Costs

Non-Major/Line-Item (Continued)

**Clerical/Administrative Salaries
Cannot Be Paid!**

Cost Accounting Standard

- Accounting for unallowable costs (CAS 503)

NEVER charge unallowable costs to a federally sponsored project

Cost Accounting Standard

- Using the same cost accounting period (CAS 504)

To develop F & A rate proposal

Facilities & Administrative (Indirect) Cost

- Government Negotiated Rate
- Different Rates
 - Function/Program (Research, Instruction, OSA)
 - Campuses
 - On-Campus vs. Off-Campus
- F&A Waivers

GAME TIME!!!!

COMPLIANCE JEOPARDY

Understanding F&A Costs & Other A-21
Issues

