DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

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September 22, 2016

Ms. E. Kim Huber
Assistant Vice Chancellor for Finance and Controller
University of Colorado Denver
1380 Lawrence Street, LW900
Campus Box 129
P.O. Box 173364
Denver, CO 80217-3364

Dear Ms. Huber:

This is in response to the transmission of Revision 3 of the Cost Accounting Standards Board (CASB) Disclosure Statement (DS-2) for the University of Colorado Denver. As the Administrative Contracting Officer (ACO), I am required to determine the adequacy and compliance of the DS-2. Based on the review performed by our office, I have determined that your DS-2 adequately discloses the cost accounting practices required to be disclosed by CASB's rules, regulations, and standards, and that those practices are compliant with applicable Federal cost accounting principles.

Should you have any questions, please contact Brian Caudill of my staff at (301) 492-4857.

Sincerely,

Arif Karim
Director
Cost Allocation Services

July 1, 2016

COST ACCOUNTING STANDARDS BOARD

DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS

CASB DS-2

UNIVERSITY OF COLORADO DENVER

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

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

1. This Disclosure Statement has been designed to meet the requirements of Public Law 100-679, and persons completing it are to describe the Educational institution and its cost accounting practices. For complete regulations, instructions and timing requirements concerning submission of the Disclosure Statement, refer to Section 9903.202 of Chapter 99 of Title 48 CFR (48 CFR 9903).

2. Part I of the Statement provides general information concerning each reporting unit (e.g., segments, business units, and central system or group (intermediate administration) offices). Parts II through VI pertain to the types of costs generally incurred by the segment or business unit directly performing under Federally sponsored agreements (e.g., contracts, grants and cooperative agreements). Part VII pertains to the types of costs that are generally incurred by a Central or Group office and are allocated to one or more segments performing under Federally sponsored agreements.

3. Each segment or business unit required to disclose its cost accounting practices should complete the Cover Sheet, the Certification, and Parts I through VI.

4. Each central or group office required to disclose its cost accounting practices for measuring, assigning and allocating its costs to segments performing under Federally sponsored agreements should complete the Cover Sheet, the Certification, Part I and Part VII of the Disclosure Statement. Where a central or group office incurs the types of cost covered by Parts IV, V and VI, and the cost amounts allocated to segments performing under Federally sponsored agreements are material, such office(s) should complete Parts IV, V, or VI for such material elements of cost, While a central or group office may have more than one reporting unit submitting Disclosure Statements, only one Statement needs to be submitted to cover the central or group office operations.

5. The Statement must be signed by an authorized signatory of the reporting unit.

6. The Disclosure Statement should be answered by marking the appropriate line or inserting the applicable letter code which describes the segment's (reporting unit's) cost accounting practices.

7. A number of questions in this Statement may need narrative answers requiring more space than is provided. In such instances, the reporting unit should use the attached continuation sheet provided. The continuation sheet may be reproduced locally as needed. The number of the question involved should be indicated and the same coding required to answer the questions in the Statement should be used in presenting the answer on the continuation sheet. Continuation sheets should be inserted at the end of the pertinent Part of the Statement. On each continuation sheet, the reporting unit should enter the next sequential page number for that Part and, on the last continuation sheet used, the words "End of Part" should be inserted after the last entry.

8. Where the cost accounting practice being disclosed is clearly set forth in the institution's existing written accounting policies and procedures, such documents may be cited on a continuation sheet and incorporated by reference to the pertinent Disclosure Statement Part. In such cases, the reporting unit should provide the date of issuance and effective date for each accounting policy and/or procedures document cited. Any supplementary comments needed to fully describe the cost accounting practice being disclosed should also be provided.

9. Disclosure Statements must be amended when disclosed practices are changed to comply with a new CAS or when practices are changed with or without agreement to the Government (Also see 48 CFR 9903.202-3).

10. Amendments shall be submitted to the same offices to which submission would have to be made were an original Disclosure Statement being filed.

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 re-submissions, 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 DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	COVER SHEET AND CERTIFICATION

0.1 Educational Institution

(a) Name University of Colorado Denver

(b) Street Address Mail Stop A005/129, P.O. Box 173364

(c) City, State and ZIP Code Denver, Colorado 80217-3364

(d) Division or Campus of (if applicable) University of Colorado

0.2 Reporting Unit is: (Mark one.)

A._____ Independently Administered Public Institution

B._____ Independently Administered Nonprofit Institution

C. _____X_____ 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 E. Kim Huber, Assistant Vice Chancellor for Finance and Controller
(b) Phone Number (include area code and extension) (303) 315-2252

0.4 Statement Type and Effective Date:

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

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

B. Effective Date of this Statement: (Specify) 07/01/2016

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

A. Cognizant Federal Agency: Cost Allocation Services
Department of Health and Human Services
7700 Wisconsin Ave, Suite 2300
Bethesda, MD 20814
Telephone: (301) 492-4855

B. Cognizant Federal Auditor: Office of Inspector General
Department of Health and Human Services, Region VII
601 East 12th St.
Box 15687
Kansas City, Missouri 64106

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	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 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: December 4, 2015
(Date)

(Signature)

E. Kim Huber
(Print or Type Name)

Assistant Vice Chancellor for Finance and Controller
(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** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
	Part I
1.1.0	Description of your Cost Accounting System 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. ___X____ Accrual[1] B. _____ Modified Accrual Basis[1] C. _____ Cash Basis D. _____ Other[1]
1.2.0	Integration of Cost Accounting with Financial Accounting. The cost accounting system is: (Mark one. If B or C is marked, describe on a continuation sheet the costs which are accumulated on memorandum records.) A. _____ Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts) B. _____ Not integrated with financial accounting records (Cost data are accumulated on memorandum records.) C. ___X____ Combination of A and B
1.3.0	Unallowable costs: Costs that are not reimbursable as allowable costs under the terms and conditions of Federally sponsored agreements are: (Mark one) A. ___X____ Specifically identified and recorded separately in the formal financial accounting records.[1] B. _____ Identified in separately maintained accounting records or workpapers.[1] C. _____ Identifiable through use of less formal accounting techniques that permit audit verification.[1] D. _____ Combination of A, B, or C.[1] E. _____ Determinable by other means.[1]
1.3.1	Treatment of Unallowable Costs. (Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group allocates costs to a segment.)

[1] Describe on a Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART I - GENERAL INFORMATION** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
1.4.0	Cost Accounting Period: 7/1 - 6/30 Same as Institutional fiscal year (Specify the twelve month period used for the accumulation and reporting of costs under Federally sponsored agreements, e.g., 7/1 to 6/30. If the cost accounting period is other than the institution's fiscal year used for financial accounting and reporting purposes, explain circumstances on a continuation sheet.)
1.5.0	State Laws or Regulations: 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.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
1.1.0	**Description of Your Cost Accounting System** The University of Colorado Denver (UCD) is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligations is incurred. The UCD applies all applicable Governmental Accounting Standards Board pronouncements (GASB), regardless of issue date, as well as the following pronouncements issued on before November 20, 1989, Financial Accounting Standards Board (FASB), Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with ,or contradict , GASB pronouncements. The application of accrual accounting to higher education reporting involves certain acceptable variances or modifications to this principle. For the UCD, these include: 1. Expenditures for annual equipment maintenance agreements are not deferred. 2. Some expenditure accruals are only booked at fiscal year-end, e.g. accruals for vendor payments, payroll, and sick leave and vacation accruals. Some of these accruals are not booked to individual programs/projects but are recorded at the Fund level for accounting purposes.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
1.2.0 Revised	**Integration of Cost Accounting with Financial Accounting** Direct costs charged to sponsored agreements are fully integrated with the UCD's financial accounting system. The amounts included in the UCD's facilities and administrative cost pools are based on cost information generated by the general ledger system except for amounts allocated to the UCD from the State of Colorado Statewide Cost Allocation Plan and Colorado Commission on Higher Education Cost Allocation Plan. However, adjustments and reclassifications are needed to recast the information in the financial statements into the cost pools required by Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs). An example of costs that need to be recast is Departmental Administration (see Section 3.1.0) where costs are determined using a Direct Charge Equivalent calculation. Separate information systems exist to help the institution identify and categorize costs. Examples of these sub-systems include the PeopleSoft Asset Management Module (PSAM), the Space Inventory and Survey Tracking System (WebSpace), and the Comprehensive Rate Information System (CRIS) software.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
1.3.0 Revised	**Unallowable Costs** Unallowable costs are specifically identified and recorded separately in the general ledger system by program/project designation or account code. Unique programs/projects and account codes are used to identify unallowable costs as defined in SUBPART E-COST PRINCIPLES TOPART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS. Account codes include: Advertising, Dues and Memberships, Interest Expense, Official Functions, Bad Debt Expense, Donations, Legal settlements, Fines and Penalties, and External Community Relations. Expenditure transactions that exceed a $5,000 threshold for Sponsored Projects are preaudited for appropriate account code usage prior to processing. The UCD's fiscal policy "Charges to Federally Sponsored Projects" and related policy exhibits details allowable direct charging to sponsored projects.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
1.3.1 Revised	**Treatment of Unallowable Costs** Unallowable costs are excluded from direct and indirect charges to Federally sponsored agreements. Unallowable costs are classified as either unallowable activities or unallowable expenses. Unallowable activities, such as the Development Office, are classified as "Other Institutional Activities" and facilities and administrative costs are allocated to these activities as part of the normal facilities and administrative cost allocation process. The classification of unallowable activities as Other Institutional Activities is required by section A.1.d of Appendix III to Part 200. Unallowable expenses, e.g. alcohol, are excluded from all pools.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

1.5.0 Revised

State Laws or Regulations

The following Colorado State Statutes, Rules and Regulations influence the accounting practices of the UCD:

- Articles of the Colorado Constitution
  http://tornado.state.co.us/gov_dir/leg_dir/olls/constitution_print.htm
- Colorado Revised Statutes
  http://www.lexisnexis.com/hottopics/colorado/
- State of Colorado Personnel Regulations
  https://www.colorado.gov/pacific/dhr/universalpolicies
- University of Colorado Procurement Rules
  https://www.cu.edu/psc/procedures/
- University of Colorado Contracting Rules
  https://www.cu.edu/controller/fiscal-procedures
- University of Colorado Fiscal Procedures
  https://www.cu.edu/controller/fiscal-procedures
- State of Colorado Capital Construction Guidelines
  http://www.colorado.gov/dpa/dfp/sco/capital/capital.htm
  https://www.colorado.gov/pacific/osc/capital-construction-accounting-guidelines
- Colorado Commission on Higher Education Rules
  http://highered.colorado.gov/cche.html
- Colorado Higher Education Accounting Standards
  https://www.colorado.gov/pacific/osc/higher-education-accounting-standards
- Colorado Public Employees Retirement Association Rules
  http://www.copera.org/
- University of Colorado Travel Rules
  https://www.cu.edu/psc/procedures/
- Colorado Financial Reporting System (CORE) Alerts and other guidelines issued by the Colorado State Controller's Office
  https://www.colorado.gov/pacific/osc/ra

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART II – DIRECT COSTS** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
	Instructions for Part II Institutions should disclose what costs are, or will be, charged directly to Federally sponsored agreements or similar cost objectives as Direct Costs. It is expected that the disclosed cost accounting practices (as defined at 48 CFR 9903.302-1) for classifying costs either as direct costs or indirect costs will be consistently applied to all costs incurred by the reporting unit.
2.1.0	Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives. (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 cost incurred for the same purpose in like circumstances, are treated either as direct costs only or as indirect costs only with respect to final cost objectives. Particular emphasis should be placed on items of cost that may be treated as either direct or indirect costs (e.g., Supplies, Materials, Salaries and Wages, Fringe benefits, etc.) depending upon the purpose of the activity involved. Separate explanations on the criteria governing each direct cost category identified in this Part II are required. Also, list and explain if there are any deviations from the specified criteria.)
2.2.0	Description of Direct Materials. All materials and supplies directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the principal classes of materials which are charged as direct materials and supplies.)
2.3.0	Method of Charging Direct Materials and Supplies. (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)
2.3.1	Direct Purchases for Projects are Charged to Projects at: A. _____ Actual Invoiced Costs B. ___X___ Actual Invoiced Costs Net of Discounts Taken Y. _____ Others(s)[1] Z. _____ Not Applicable
2.3.2	Inventory Requisitions from Central or Common, Institution-owned Inventory. (Identify the inventory valuation method used to charge projects): A. ___X___ First In, First Out B. _____ Last In, First Out C. ___X___ Average Costs[1] D. _____ Pre-determined Costs[1] Y. ___X___Other(s)[1] Z. _____ Not Applicable

FORM CASB DS-2 (REV 10/94)

[1] Describe on a continuation sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

2.4.0 Description of Direct Personal Services. All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal services costs within each major institutional function or activity that are charged as direct personal services.)

2.5.0 Method of Charging Direct Salaries and Wages. (Mark the appropriate line(s) for each Direct Personal Services Category to identify the method(s) used to charge direct salary and wage costs to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, fully describe on a continuation sheet, the applicable methods used.)

		Direct Personal Services Category			
		Faculty (1)	Staff (2)	Students (3)	Other[1] (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	_____	_____
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)[1] _____	_____	_____	_____	

2.5.1 Salary and Wage Cost Distribution Systems.

Within each major function or activity, are the methods marked in Item 2.5.0 used by all employees compensated by the reporting unit? (If "NO", describe on a continuation sheet, the types of employees not included and describe the methods used to identify and distribute their salary and wage costs to direct and indirect cost objectives.)

X YES

_____ NO

[1] Describe on a Continuation Sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.5.2	Salary and Wage Cost Accumulation System (Within each major function or activity, describe, on a continuation sheet, the specific accounting records or memorandum records used to accumulate and record the share of the total salary and wage costs attributable to each employee's direct (Federally sponsored projects, non-sponsored projects or similar cost objectives) and indirect activities. Indicate how the salary and the wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records.)
2.6.0	Description of Direct Fringe Benefits Costs. 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 all 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.)
2.6.1	Method of Charging Direct Fringe Benefits. (Describe on a continuation sheet, how each type of fringe benefit cost identified in item 2.6.0. is measured, assigned and allocated (for definitions, See 9903.302-1); first, to the major functions (e.g., instruction, research); and, then to individual projects or direct cost objectives within each function.)
2.7.0	Description of Other Direct Costs. 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.)

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

2.8.0 Cost Transfers. When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants or contracts, is the credit amount for direct personal services, materials, other direct charges and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project (Consider transactions where the original charge and the credit occur in different cost accounting periods). (Mark one, if "No", explain on a continuation sheet how the credit differs from original charge.)

_____ YES

__X___ NO

2.9.0 Interorganizational Transfers. 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.)

		Materials (1)	Supplies (2)	Services (3)
A.	At full cost excluding indirect costs attributes to group or central office expenses.	_____	_____	_____
B.	At full cost including indirect costs attributable to group or central office expenses	___X___	___X___	___X__
C.	At established catalog or market price or prices based on adequate competition	_____	_____	_____
Y.	Other(s)[1]	_____	_____	_____
Z.	Interorganizational transfers are not applicable.	_____	_____	_____

[1] Describe on a Continuation Sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.1.0 Revised	**Criteria for Determining how Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives** The UCD follows the general guidelines in sections 200.413 and 200.414 of Subpart E to Part 200 in determining the treatment of costs as direct or indirect. Accordingly, costs that can be identified specifically with a particular sponsored project, instructional activity, or other institutional activity, or can be directly assigned to such activities relatively easily with a high degree of accuracy, are treated as direct costs. Conversely, costs incurred for common joint objectives that cannot be identified readily and specifically with a particular sponsored project, instructional activity or other institutional activity, are treated as facilities and administrative costs. The UCD's facilities and administrative costs are consistent with the definitions of specific facilities and administrative cost categories in section Appendix III to Part 200. The UCD also follows the guidelines in section B.6.a of Appendix III to Part 200 that specify the normal treatment of certain costs commonly incurred by academic departments and organized research units. Every effort is made to classify costs incurred for the same purpose, in like circumstances, consistently as either direct or facilities and administrative costs. The UCD fiscal policy "Charges to Federally Sponsored Projects" and related policy exhibits address this issue. Within academic departments and organized research units, major cost categories are treated as follows: • Salaries and fringe benefits of faculty, professional staff (e.g., research associates), technicians, lab assistants, and students associated with effort on research projects, instructional activities and other direct cost objectives, are treated as direct costs. • The costs of laboratory supplies (e.g., chemicals, glassware, etc.), instructional supplies, travel, consulting services, long distance telephone toll charges and the other items enumerated in 2.2.0 and 2.7.0 identifiable to research, instruction, or other direct cost objectives are treated as direct costs. • Repairs and maintenance involving internal building operations and equipment are identified by a work order system and are allocated to functions within that building based on total assignable square feet. Repairs and maintenance which are readily identifiable to research projects, instructional activities or other direct costs objectives are treated as direct costs and the direct charges are credited against the operations and maintenance (O&M) cost pool. Rent paid for certain facilities that are in close proximity to the campuses are included the O&M pool. Rent and other facility costs of off-campus facilities that can easily be identifiable to research projects are treated as direct costs and are excluded from the O&M pool. • Salaries and fringe benefits of administrative and clerical staff and operating expenses (office supplies, postage, local (basic) telephone costs, and memberships) identified as administrative are normally treated as facilities and administrative costs. However, direct charging of these costs may be appropriate only if all of the following conditions are met: (1) Administrative or clerical services are integral to a project or activity; (2) Individuals involved can be specifically identified with the project or activity; (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and (4) The costs are not also recovered as indirect costs.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.2.0 Revised	**Description of Direct Materials** In general, UCD follows the guidelines in the section 200.453 of Subpart E to Part 200. Principal classes of materials and supplies that are directly identified to Federally sponsored agreements are the following: 1. Laboratory and technical shop supplies 2. Non-capital equipment 3. Microfilm, photographic and graphics supplies 4. Medical supplies 5. Animals 6. Computer software and supplies. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.3.2	**Inventory Requisitions from Central or Common, Institution-owned Inventory** Inventories at the UCD are valued using several different methods. Inventory methods currently being used include First In, First Out (FIFO), Current Cost, Weighted Average Cost, Actual Cost and Average Cost. All of which are allowable under generally accepted accounting principles. Although several methods are used, only one method is consistently used for each inventory. See UCD fiscal policy "Inventories."

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.4.0	**Description of Direct Personal Services** Salaries and fringe benefits of faculty, professional staff (e.g., research associates), technicians, lab assistants, and graduate students associated with effort on research projects, instructional activities and other direct cost objectives, are treated as direct costs. Salaries and fringe benefits of administrative and clerical staff are charged directly under the conditions described in 2.1.0. – see related UCD fiscal policy "Charges to Federally Sponsored Projects" and related policy exhibits.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.5.0 Revised	**Method of Charging Direct Salaries and Wages** Effort on federally sponsored agreements for faculty and staff, paid on a monthly cycle, is tracked and certified, after the fact, using our electronic Personal Effort Reporting System (*e*PERS). These employees are full-time, part-time faculty, staff and professional research assistants. See policy "Direct Charges to Federally Sponsored Projects, Exhibit D – Faculty and Other Salary Expense" at http://www.ucdenver.edu/faculty_staff/employees/policies/Policies%20Library/GrantsContracts/fp4-07d.pdf Hourly employees who are not covered by the PERS process are required to attest the appropriateness of wages charged to a sponsored project reflecting the actual effort expended. See Employee Services Procedures Guide at https://www.cu.edu/employee-services/business-partners-ppldrl/resources/es-procedures-guide/employee-workleave-record. Bi-weekly certification states: By signing below employer and employee certify that: (1) The hours and minutes shown herein are a complete and accurate record of time worked each day and for the reporting period. All overtime earned or taken as compensatory time was reported and approved by my supervisor, and the work was performed in a satisfactory manner. (2) The FOPPS (Fund, Organizational Unit, Program, Project, Subclass) identified above are appropriate to pay these hours, and the percentage of time attributed to each reflects the actual effort expended on the project(s) specific to the FOPPS listed. (3) If applicable, student employee is enrolled in the proper number of credit hours, pursuant to campus specific student employment guidelines. The attestation is not invalidated when a hourly employee inadvertently omits the sponsored project number on their time sheet form when the funding distribution is reviewed and approved by departmental personnel with first-hand knowledge of the sponsored project(s) that benefited by the hourly effort.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.5.2 Revised	**Salary and Wage Cost Accumulation System** Responsible officials estimate and record the planned distribution of each employee's salary in the Human Capital Management System which is then interfaced to the general ledger system. The procedures to distribute employee salary costs are located on the Employee Services' web site (https://www.cu.edu/employee-services) and the salary distribution system is summarized below. An electronic Personal Effort Reporting System (ePERS) is used to document and support the salaries paid to individuals working at the UCD. Personnel efforts reports are sent to faculty and staff, who are paid at least partially from the Restricted Fund in the general ledger. If material discrepancies are reported between the payroll system and the effort reporting system, these are researched and the appropriate adjustments are made to ensure effort and support for salaries are aligned. In addition to reporting salaries charged directly to sponsored projects, ePERS also track UCD contributions to sponsored projects to meet cost sharing requirements. See Cost Sharing policy at: http://www.ucdenver.edu/faculty_staff/employees/policies/Policies%20Library/GrantsContracts/fp4-08.pdf. For cost accounting purposes, these salaries and benefits are moved from the cost share source base (e.g., Instruction base) to the benefiting base (e.g., the Organized Research base). Hourly faculty, staff and students are paid on a two-week schedule. Their hours worked are reported in the Human Capital Management System along with the corresponding dollar amount of salary in the general ledger system. Total payroll dollars from the payroll system are reconciled to total payroll dollars that are recorded in the general ledger system on a monthly basis. Individual program/project financial activity is monitored by administrators responsible for that program/project. When misclassifications or incorrect charges are identified, they are corrected in the Human Capital Management System which is interfaced with general ledger system.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.6.0	**Description of Direct Fringe Benefit Costs** The following fringe benefits attributable to organized research, instruction and other direct cost objectives are treated as direct costs. PERA – (Public Employees Retirement Association) - PERA is a mandatory retirement plan for all classified staff. Employee contribution is 8% and the University's contribution is currently 10.15% (this may be adjusted annually). Active PERA members do not pay into FICA. FICA – Authorized by the Federal Government Medicare Tax – Authorized by the Federal Government Short Term Disability - The University of Colorado offers a university-paid STD benefit to eligible classified staff. STD coverage helps protect a portion of your income if you are disabled due to a covered illness, pregnancy, or injury. Enrollment is automatic. Long Term Disability – The University of Colorado offers a university-paid Long-Term Disability (LTD) benefit to eligible employees. Enrollment is automatic for faculty and professional exempt. Health, Life and Dental Insurance – An employer contribution is provided to employees appointed to a benefit eligible positions who may enroll in one of the university's group benefits plans. A wide choice in plans and coverage levels allows employees select the medical, dental, & life insurance that best meets their needs. Defined Contribution Retirement Plan 401A (TIAA, Vanguard, Fidelity, etc.) The University of Colorado offers a qualified defined contribution plan under section 401(a) of the Internal Revenue Code. Enrollment is mandatory for eligible employees (faculty and exempt employees). An employee will contribute 5% and the university will contribute 10% of gross earnings to be distributed according to investment selections. Workers Compensation –UCD cost study based on an amount that is actuarially calculated annually by the University Risk Management Office (URM). This premium is assessed to the campus annually and is paid on a monthly basis. Premiums from all campuses are used to finance the System Risk Management Liability for Worker's Compensation Claims. Unemployment Compensation - UCD cost study based on the amount paid out for unemployment insurance claims for eligible employees. An outside vendor and the campus Human Resources office manage this program. Retirement Benefits - UCD cost study of the actual cost of retiree health, life and dental insurance. Most retirees are eligible for employer contribution toward health, life and dental insurance although at varying amounts based on age and years of service. Termination Pay – UCD cost study based on the amount paid out for unused vacation and sick leave for separating and retiring employees. Payments for vacation, holiday and sick leave are included in the charges for monthly salaries or as part of termination pay in accordance with UCD and State of Colorado Personnel Rules. See UCD fiscal policy titled, "Employee Fringe Benefit Pools" at: http://www.ucdenver.edu/faculty_staff/employees/policies/Policies%20Library/HR/fp5-06.pdf

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.6.0 Revised	**Description of Direct Fringe Benefit Costs (continue)** Sabbatical Leave – A tenured faculty member shall become eligible for sabbatical assignment after fulfilling six years of service to the university. Administrators responsible for the award of sabbaticals shall be accountable for ensuring compliance with the Regent Laws and Policy on sabbaticals as well as this administrative policy statement. See the University Administrative Policy Statement at https://www.cu.edu/ope/policy/aps-1024-approval-sabbatical-assignments. Tuition Remission for Graduate Students – Tuition Remission is provided as a benefit to graduate student who are enrolled in degree granting program of the Anschutz Medical Campus in order to enable him or her to pursue a program of independent research, training, and original study that focuses on the experience to be gained by the recipient. Tuition remission is charged in similar proportion to assistantship support to a source of funds when it is allowable relative to the source of funds for the award, e.g., benefit to the project/program, and when it is not defined as an unallowable costs. See UCD fiscal policy titles, "Graduate Student Assistantships and Tuition Remission" at http://www.ucdenver.edu/faculty_staff/employees/policies/Policies%20Library/Fiscal/GradAsstshp-TuitRemiss.pdf Tuition Assistance Benefit for University Employees - Tuition assistance is available to employees in regular (non-temporary), eligible, job classifications that are at least 50% appointment. Nine credits are available each academic year to be applied against tuition costs on a space-available basis at any CU campus for undergraduate or graduate credit-granting courses, complying with restrictions set within the course requirements. See the University Administrative Policy Statement at http://www.cu.edu/ope/aps-5024-tuition-assistance-benefit.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.6.1	**Method of Charging Direct Fringe Benefits** Most of the benefits listed in 2.6.0 are identified to an individual employee and charged to a specific program/project or programs/projects. If an employee is paid from one general ledger program/project, all of the benefits are charged to that program/project. If an employee is paid from more than one program/project, the benefits are charged to those programs/projects in proportion to the salary paid from each program/project. Workers Compensation, Unemployment Compensation, Retiree Benefits and Termination Pay are charged direct via a percentage rate that is applied to applicable salaries and wages in accordance with UCD fiscal policy titled "Employee Fringe Benefit Pools". These rates are calculated prior to the beginning of each fiscal year and are adjusted by any over or under-recovery from the previous year. Each program/project is assigned a function code when the program/project is created. The function codes (Instruction, Research, Patient Care, etc.) are summarized at fiscal year end for reporting purposes. When preparing budgets for grant applications or contract proposals, benefits are estimated for each class of employee who is to be paid from the grant or contract.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.7.0	**Description of Other Direct Costs** Principal categories of other direct costs include: Travel Contractual Services/Consultants Telephone (Long distance telephone services and cellular phones) Printing/Publishing Photographics Computer Hardware/Software Package Delivery Capital and Non-Capital Equipment Stipends and Student Aid (Federally sponsored training grants) Building Rental (Off-campus projects) Animal Care

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
2.8.0	**Cost Transfers** For the vast majority of cost transfers (see UCD fiscal policy titled "Cost Transfers on Sponsored Projects"), the amount credited for direct costs and applicable facilities and administrative costs is the same as the amount originally charged for these costs. However, if a transfer crosses fiscal years, the facilities and administrative cost rate and calculated fringe benefits of the new year are used in determining the amount credited to the project. The UCD does not believe that this practice has a material effect on charges to sponsored agreements. End of Part

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART III – INDIRECT COSTS** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

Instructions for Part III

Institution should disclose how the segment's total direct costs are identified and accumulated in specific indirect cost categories, and allocated to applicable indirect cost pools, and service centers within each major function or activity, how service center costs are accumulated and "billed" to users, and the specific indirect cost pools and allocation bases used to calculate the indirect cost rates that are used to allocate accumulated indirect costs to Federally sponsored agreements or similar final cost objectives. A continuation sheet should be used wherever additional space is required or when a response requires further explanation to ensure clarity and understanding.

The following Allocation Base Codes are provided for use in connection with Items 3.1.0 and 3.3.0.

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 Employees (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)[1]
Y. Others[1]
Z. Category or Pool not applicable

[1] List on a continuation sheet, the category and sub-grouping(s) of expense involved and the allocation base(s) used.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART III – INDIRECT COSTS** University of Colorado Denver

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3.1.0 Indirect Cost Categories – Accumulation and Allocation. This item is directed at the identification, accumulation, and allocation of all indirect costs of the institution. (Under the column heading, "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each indirect cost category are identified, recorded and accumulated in the institution's formal accounting system. If "No," describe on a continuation sheet, how the cost elements included in the indirect cost category are identified and accumulated. Under the column heading "Allocation Base," enter one of the allocation base codes A through P, Y, or Z**,** to indicate the basis used for allocating the accumulated costs of each indirect cost category to applicable indirect cost categories, indirect cost pools, other institutional activities, specialized service facilities and other service centers. Under the column heading "Allocation Sequence," insert 1, 2, or 3 next to each of the first three indirect cost categories to indicate the sequence of the allocation process. If cross-allocation techniques are used, insert "CA". If an indirect cost category listed in this section is not used, insert "NA")

Indirect Cost Category	Accumulation Method	Allocation Base Code	Allocation Sequence
(a) Depreciation/Use Allowance/Interest			1
Building	YES	L	
Equipment	YES	L	
Capital Improvements to Land	YES	P	
Interest[1]	YES	L	
(b) Operation and Maintenance	YES	P	2
(c) General Administration and General Expense	NO	D	3
(d) Departmental Administration	NO	D	
(e) Sponsored Projects Administration	YES	D	
(f) Library	YES	Y	
(g) Student Administration and Services	YES	Y	
(h) Other[1] Auraria Higher Education Center	YES	L	

[1] Describe on a Continuation Sheet.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

3.2.0 Revised

Service Centers. 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.)

		(1)	(2)	(3)	(4)	(5)	(6)
(a)	Scientific Computer Operations	Z					
(b)	Business Data Processing	Z					
(c)	Center for Laboratory Animal Care	A	A	C	B	A	B

(d) Other Service Centers with Annual Operating Budgets exceeding $1,000,000 or that generate significant charges to federally sponsored agreements either as a direct or indirect cost (Specify below: use a Continuation Sheet, if necessary)

Construction Services	C	A	C	A	A	B
Basic Phone Service Center	C	A	C	A	A	B
Printing Services	C	A	C	A	A	B
Cancer Center Clinical Trial Office	C	A	C	A	A	B
Cancer Center Genomics MicroArray Core	C	A	C	A	A	B
Self Risk Management	C	A	C	A	A	B
Central Utility Plant	B	A	C	A	A	B

(1) Category Code: 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.

(2) Burden Code: 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.

(3) Billing Rate Code: 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).

(4) User Charges Code: 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).

(5) Actual Costs vs. Revenues Code: Code "A" – billing (revenues) are compared to actual costs (expenditures) at least annually; Code "B" – billings are compared to actual costs less frequently than annually.

(6) Variance Code: Code "A" – Annual variance between billed and actual cost are prorated to users (as credits or charges) Code "B" – variances are carried forward as adjustments to billing rate of future periods; Code "C" – annual variances are charged or credited to indirect costs; Code "Y" – other (explain on a Continuation Sheet).

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3.3.0 Indirect Cost Pools and Allocation Bases

(Identify all of the indirect costs pools established for the accumulation of indirect costs, excluding service centers**,** and the allocation bases used to distribute accumulated indirect costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable indirect cost pools, enter the applicable Allocation Base Code A through P, Y, or Z to indicate the basis used for allocating accumulated pool costs to Federally sponsored agreements or similar cost objectives)

Indirect Cost Pools	Allocation Base Code
A. Instruction	
__X____ On-Campus	__D___
__X____ Off-Campus	__D___
_____ Other[1]	__Z___
B. Organized Research	
__X____ On-Campus	__D___
__X____ Off-Campus	__D___
_____Other[1]	__Z____
C. Other Sponsored Activities	
__X____ On-Campus	__D___
__X____ Off-Campus	__D___
_____Other[1]	__Z___
D. Other Institutional Activities[1]	__Z___

3.4.0 Composition of Indirect Cost Pools. (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.)

3.5.0 Composition of Allocation Bases. (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 modified total direct cost base is used, specify which of the elements of direct cost identified in Part II, Direct Costs. that are included, e.g., materials, salaries and wages, fringe benefits, travel costs, and excluded, e.g., subcontract costs over first $25,000. Where applicable, explain if service centers are included or excluded. Specify the benefiting functions and activities included. If any cost objectives are excluded from the allocation base, such cost objectives and the alternate allocation method used should be identified. If an indirect cost allocation is based on Cost Analysis Studies, identify the study, and fully describe the study methods and techniques applied, the composition of the specific allocation base used, and the frequency of each recurring study.)

[1] Describe on a Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART III – INDIRECT COSTS** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
3.6.0	Allocation of Indirect Costs to Programs That Pay Less Than Full Indirect Costs. Are appropriate direct costs of all programs and activities included in the indirect cost allocation bases, regardless of whether allocable indirect costs are fully reimbursed by the sponsoring organizations? A. __X__ YES B. _____ NO[1]

FORM CASB DS-2 (REV 10/94)

[1] Describe on a Continuation Sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

3.1.0 Revised

Indirect Cost Categories - Accumulation and Allocation

(a) Capital improvements to land - are accumulated in the G/L and tracked in the asset tracking system - PSAM. They are allocated to functions based on FTE student and employee data.

Interest - Interest expense is interest on debt associated with building, equipment,capital improvements, and intellectual property (including software) as defined in section 200.449 of Subpart E to Part 200. Interest expense recorded in the G/L and identified to the building that was constructed with the borrowed funds. It is allocated based on the function of assignable square feet.

(b) Operations and Maintenance

The Anschutz Medical Campus was moved from the 9th Avenue and Colorado Boulevard in Denver to a new site at the former Fitzsimons Army Medical Garrison in Aurora. Certain costs are directly identified to each campus and some costs are shared. Where the costs are shared, they are allocated between the two campuses, the Anschutz Medical Campus and Denver Campus, based on the net assignable square feet at each site.

Maintenance and Repairs – Expenditures are identified by building in the UCD general ledger and are then allocated to functions within that building based on total assignable square feet identified to each function.

Operations and Maintenance Administration - The allocation methodology consists of allocating these expenditures to each building based on total assignable square feet per building and then allocating to functions based on total assignable square feet identified to each function.

Grounds Maintenance, University Police, Materials Management, Insurance, Property Control, Space Management - The allocation methodology consists of allocating these expenditures to each building based on total assignable square feet served per building. The expenditures are then allocated to functions within each building based on the assignable square feet for each function.

Environmental (Custodial) Services – Some of the environmental expenditures are identified to specific buildings in the general ledger system. Other environmental expenditures are allocated to buildings based on total assignable square feet served per building. The expenditures are then allocated to functions within each building based on the assignable square feet for each function.

Environmental Health and Safety - The allocation method for Environmental Health and Safety is based on a specific identification basis for each departmental activity. These activities include Radiation Safety, Hazardous Waste, Biological Safety/Infectious Waste, Occupational Health/Bio-Safety, and Administration. Each activity is quantified and allocated to campus functions based on statistics derived from department records.

Utilities - Some of the utility expenditures are identified to specific buildings (if separately metered) in the general ledger system. Other energy expenditures are allocated to buildings based on total assignable square feet served per building. The expenditures are then allocated to functions within each building based on the assignable square feet for each function.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
3.1.0 Revised	(c) General Administration Costs- - Almost all of the General Administration costs are identified in the institution's general ledger system. This cost pool also includes amounts allocated to the UCD from the State of Colorado Statewide Cost Allocation Plan, the Colorado Commission on Higher Education Cost Allocation Plan and the UCD′s share of University of Colorado System Administration costs. (d) Departmental Administration Costs- Departmental Administration expenditures are partially identified from the institution's general ledger system by program/project and type of expenditure. In addition, a direct charge equivalent is calculated and the amounts are accumulated by department. These identified amounts are re-classified from the Instruction cost pool. Administrative activities of faculty and academic professional staff are covered by the 3.6% allowance provided by section B.6.a.2.aof Appendix III to Part 200. (f) Library Library costs of the Health Sciences Library and the Auraria Library are allocated based on the default process allowed by cost principle. . The total pool is split among students, faculties and professional employees, and other users based on FTE with the student portion allocated to Instruction. The balance of the pool is allocated to the four primary functions (i.e. Instruction, Organized Research, Other Sponsored Activity, and Other Institutional Activity) based on salary data. The appropriate portion of other users is allocated to Other Institutional Activity. The Auraria Library is shared between the three institutions that make up the Auraria Campus: Community College of Denver (CCD), Metropolitan State University of Denver (MSUD) and the Denver Campus. All operating expense related to the Auraria Library are accumulated in the G/L. CCD and MSUD reimburse UCD for their use of the Auraria Library. For F&A purpose, the revenue from CCD and MSUD offsets the expense and proportionally reduces the Auraria Library spaces. (g) Student Administration and Services – Student Administration and Services costs are allocated entirely to the Instruction function. (h) Other - Auraria Higher Education Center (AHEC) – The Denver Campus is one of three institutions that share the facilities owned by the AHEC. The Denver Campus pays rent on their share of the campus based on an annual fee from the AHEC. All facilities costs associated with the AHEC are included in the rent. The costs of this rent are allocated to direct and indirect cost pools based on the function of assignable square feet of the facilities used by UCD.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
3.2.0 Revised	**Service Centers – General** Goods or services may be provided by a department for itself or for other UCD departments. Service Centers are established when management determines that a good or service is most effectively provided within the campus. The costs of providing the goods or services are distributed through a billing rate that is uniformly applied to all internal users. UCD Service Centers follow fiscal policy titled "Internal Service Centers & Core Laboratories" and the related policy exhibits to ensure consistency in application. This policy provides guidelines for establishing, budgeting, costing, administering, and accounting for Service Centers that regularly sell goods or services to UCD departments. Service Center policies and procedures have been established to provide consistent operational practices among the various Service Center units to ensure compliance with federal regulations. (c)(4) **User Charges:** The Center for Laboratory Animal Care charges external users at a higher rate than is charged to UCD internal users. The markup for external users is to recover departmental overhead. All internal users including Federally sponsored agreements are charged at the same billing rate.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
3.4.0 Revised	**Composition of Indirect Cost Pools**

Building Depreciation:

Buildings with significant research are componentized and depreciated based on the useful life of each component. There are 3 major components: Building Structure, Building Service Equipment and Fixed Equipment. The other buildings are depreciated as a single entity separating original construction from remodeling projects. General ledger Depreciation related to Federally funded building construction is excluded for F&A purposes.

Equipment Depreciation:

Equipment depreciation is computed for all equipment purchased with non-sponsored funds. The method is straight-line depreciation based on the historical cost of equipment. Depreciation related to Federally funded equipment is excluded for F&A purposes.

Depreciation on Capital Improvements to Land:

Depreciation on Capital Improvements to Land is based on the historical cost of each improvement identified. The method is straight-line depreciation.

Interest:

Interest on debt associated with buildings, equipment,capital improvements, and intellectual property (including software)

Operations and Maintenance:

This pool consists of the following major categories of expenditures:

1. Maintenance and Repairs
2. Operations and Maintenance Administration
3. Environmental (Custodial) Services, Grounds Maintenance, University Police, Materials Management, Insurance, Property Control, Space Management
4. Environmental Health and Safety
5. Utilities
6. Cross-allocations from Building and Equipment Depreciation

Auraria Higher Education Center (AHEC) – The Denver Campus is one of three institutions that share the facilities owned by the AHEC. The Denver Campus pays rent on their share of the campus based on an annual fee from the AHEC. All facilities costs associated with the AHEC are included in the O&M cost pool. The costs are allocated to the direct and indirect cost pools based on the function of assignable square feet of the facilities used by the UCD.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
3.4.0 Revised	**General Administration:** This pool includes expenses incurred for general executive and administrative offices and an allocable share of operation and maintenance expense and building/equipment depreciation. Examples of general administration and general expenses include: expenses incurred by System Administration offices that serve the entire University of which the UCD is a part, Chancellor and Vice-Chancellor Offices, Finance Office, Budget Office, Legal Office, Information Systems, etc. **Departmental Administration:** This pool consists of the salaries, benefits, and operating expenditures of administrative and supporting functions in academic departments and Deans' Offices. Costs associated with administrative activities of Department Heads, Faculty and other Professional Academic Staff are covered by a standard allowance of 3.6% of modified total direct costs specified in section B.6.a.2.a of Appendix III to Part 200. For other departmental administrative costs (i.e. clerical salaries, supplies etc.) a direct cost equivalent (DCE) is applied to the administrative costs directly charged to Organized Research. This calculation assigns administrative costs to Instruction in an amount such that instruction direct administrative cost proportionately equals research direct administrative cost. The balances of other administrative costs are included in the Departmental Administration cost pool. **Sponsored Programs Administration:** This pool consists of the following components for the UCD: 1. Office of Grants and Contracts 2. Vice Chancellor for Research 3. Associate Dean for Research Affairs 4. Institutional Review Board 5. Compliance **Library:** The Health Sciences Library is the main support library on the Anschutz Medical Campus. Included in these expenditures are salaries, benefits, operating expenditures and books/periodical costs. The Auraria Library is shared between the three institutions that make up the Auraria Campus: The Community College of Denver (CCD), Metropolitan State University of Denver (MSUD) and University of Colorado Denver Campus. All operating expense related to the Auraria Library are accumulated in the G/L. CCD and MSUD reimburse UCD for their use of the Auraria Library. For F&A purpose, the revenue from CCD and MSUD offsets the expense.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

3.5.0 Revised

Composition of Allocation Bases:

Allocation bases D, L and P benefit all functions (Instruction, Organized Research, Auxiliary Activities, Other Sponsored Activities and Other Institutional Activities) Allocation base Y (Others) is described below.

D. MTDC

Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs. The costs of service centers are included in the MTDC base for the allocation of their share of applicable F&A costs.

L. Square Footage

Costs are allocated based on an "area served" basis. Functions occupying the space (e.g., organized research, instruction, etc.) are allocated costs based on the amount of net assignable square footage occupied by each function. The assignment of assignable square footage to various functions is updated by the schools and departments on an annual basis at the Denver Campus and the Anschutz Medical Campus. The Finance Office reviews the updates and performs random sample audits of the space inventory and functionalization. Service Center space is allocated to the Other Institutional Activities cost pool and space costs are included in Service Center billing rates.

P. More than one base (Separate Cost Groupings):

Depreciation on Land Improvements is allocated to functions based on FTE student and employee data.

Operations and Maintenance costs are allocated using separate cost groupings. See Section 3.1.0 of this statement for a detailed explanation. Service Center O&M costs are allocated based on the functional use of space.

Y. Others

The Student Administration pool is allocated entirely to the *I*nstruction function in accordance with the standard base in section B.9.b of Appendix III to Part 200.

End of Part

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART IV – DEPRECIATION AND USE ALLOWANCES** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

Part IV

4.1.0 Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives. (For each asset category listed below, enter a code from A through C in Column (I) 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 or depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code 7 in Column (I) only, if an asset category is not applicable.

Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)
(a) Land Improvements	A	C	A	B
(b) Buildings	A	C	A	B
(c) Building Improvements	A	C	A	B
(d) Leasehold Improvements	A	C	A	B
(e) Equipment	A	C	A	B
(f) Furniture and Fixtures	A	C	A	B
(g) Automobiles and Trucks	A	C	A	B
(h) Tools	A	C	A	B
(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.	Z	___	___	____

Column (1) – Depreciation Method Code

A. Straight Line
B. Expended at Acquisition
C. Use Allowance
Y. Other or more than one method[1]

Column (2) – Useful Life Code

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[1]

Column (3) – Property Unit Code

A. Individual units are accounted for separately
B. Applied to groups of assets with similar service lines
C. Applied to groups of assets with varying service lines
Y. Other or more than one method[1]

Column (4) – Residual Value Code

A. Residual value is deducted
B. Residual value is not deducted
Y. Other or more than one method[1]

[1] Describe on a Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART IV – DEPRECIATION AND USE ALLOWANCES** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
4.1.1	Asset Valuations and Useful Lives. 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. __X__ YES B. _____ NO[1]
4.2.0	Fully Depreciated Assets. Is a usage charge for fully depreciated assets charted to Federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.) A. _____YES B. __X___ NO
4.3.0	Treatment of Gains and Losses on Disposition of Depreciable Property. Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.) A. _____ Excluded from determination of sponsored agreements costs B. __X___ Credited or charged currently to the same pools to which the depreciation of the assets was originally charged. C. _____ Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved D. _____ Not accounted for separately, but reflected in the depreciation reserve account Y. _____ Others[1] Z. _____ Not applicable
4.4.0	Criteria for Capitalization, (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 sub-category of assets involved which differs from those for the majority of assets.) A. Minimum Dollar Amount $5,000 B. Minimum Life Years > 1 year
4.5.0	Group or Mass Purchase. Are group or mass purchases (initial complement) of similar items, which individually are less than the capitalization amount indicated above, capitalized? (Mark one.) A. _____ YES[1] B. __X___ NO

[1] Describe on a Continuation Sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
4.4.0 Revised	**Criteria for Capitalization** Buildings, renovations and other capital project costs: Minimum Dollar Amount $75,000 Minimum Life Years >1 year Major software (system) cost: Minimum Dollar Amount $75,000 Minimum Life Years > 1 year Minor software cost: Minimum Dollar Amount $5,000 Minimum Life Years > 1 year End of Part

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	**PART V – OTHER COSTS AND CREDITS** University of Colorado Denver

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
5.1.0	Method of Charging Leave Costs. 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)) A. __X___ Cash B. _____ Accrual[1]
5.2.0	Applicable Credits. This item is directed at the treatment of "applicable credits" as defined in Section C of 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.) A. _____ The credits/receipts are offset against the specific direct or indirect costs to which they relate. B. _____ The credits/receipts are handled as a general adjustment to the indirect pool. C. _____ The credits/receipts are treated as income and are not offset against costs. D.. __X____ Combination of methods[1] Y. _____ Other[1]

[1] Describe on a Continuation Sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
5.2.0	**Applicable Credits** Most applicable credits that the UCD receives are recorded as reductions to direct or facilities and administrative cost items. However, some recoveries like insurance recoveries, are mandated by State and UCD policy to be recorded as revenue. These items rarely occur at the UCD, but if they do, revenue is offset against expenditures when preparing the facilities and administrative rate proposal. End of Part

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016

Instructions for Part VI

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.

Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to Federally sponsored agreements are material, the reporting unit should require that entity to complete the applicable portions of this Part IV. (See item 4, page (i), General Instructions)

6.1.0 Pension Plans.

6.1.1 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.)

	Type of Plan		Numbers of Plans
A.	_____	Institution employees participate in State/Local Government Retirement Plan(s)	_____
B.	__X___	Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution.	__1___
C.	_____	Institution has its own Defined-Contribution Plan(s)[1]	_____

6.1.2 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.)

6.2.0 Post Retirement Benefits Other Than Pensions (including most retirement health care benefits)(PRBs). (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. [ ] Not Applicable

[1] Describe on a Continuation Sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
6.2.1	Determination of Annual PRB Costs. (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	Self-Insurance Programs (Employee Group Insurance). Costs of the self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.) A. _____ When accrued (book accrual only) B. _____ When contributions are made to a non-forfeitable fund C. _____ When contributions are made to a forfeitable fund D. _____ When the benefits are paid to employee E. _____ When amounts are paid to an employee welfare plan Y. _____ Other or more than one method[1] Z. __X__ Not Applicable
6.4.0	Self-Insurance Programs (Workers' Compensation, Liability, and Casualty Insurance)
6.4.1	Worker's Compensation and Liability. Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.) A. _____ When claims are paid or losses are incurred (no provision for reserves) B. _____ When provisions for reserves are recorded based on the present value of the liability C. _____ When provisions for reserves are recorded based on the full or undiscounted value, as contrasted with present value, of the liability D. _____ When funds are set aside or contributions are made to a fund E. _____ When amounts are paid to an employee welfare plan Y. __X__ Other or more than one method[1] Z. _____ Not Applicable
6.4.2	Casualty Insurance. Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.) A. _____ When losses are incurred (no provision for reserves) B. __X__ When provisions for reserves are recorded based on replacement costs C. _____ When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles D. _____ Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves) Y. _____ Other or more than one method[1] Z. _____ Not Applicable

[1] Describe on a Continuation Sheet

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
6.1.2	**Defined Benefit Pension Plan** The institution has no non-state defined benefit pension plans.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
6.2.0 Revised	**Post Retirement Benefits Other Than Pensions (including post retirement health care benefits) (PRBs)**

Retiree Health Insurance Plan	Approximately 678 retired faculty Approximately 185 retired classified staff Approximately 99 retired ex prof staff
Retiree Life Insurance Plan	Approximately 670 retired faculty Approximately 859 retired classified staff Approximately 163 retired ex prof staff

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
6.2.1	**Determination of Annual PRB Costs** PRB costs (e.g. Retire Health and Life Insurance) are identified to an individual employee and are charged direct via a percentage rate that is applied to applicable salaries and wages. These rates are calculated prior to the beginning of each fiscal year and are adjusted by any over or under-recovery from the previous year.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
6.4.1	**Workers Compensation and Liability** Worker's Compensation costs are identified to an individual employee and are charged direct via a percentage rate that is applied to applicable salaries and wages. These rates are calculated prior to the beginning of each fiscal year and are adjusted by any over or under-recovery from the previous year. End of Part

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
	DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE. Instructions for Part VII 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. 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.
7.1.0	Organizational Structure. On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.
7.2.0	Cost Accumulation and Allocation. On a continuation sheet, provide a description of: A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc,), in brief. B. How the costs of the services are identified and accumulated. C. The basis used to allocate the accumulated costs to the benefiting segments. D. 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. E. Any fixed management fees that are charged to a segment(s) in lieu of a prorate or allocation basis and the basis of such charges. If none, so state.

Item No.	Item Description Revision Number 3 and Effective Date 07/01/2016
7.1.0	**Organizational Structure** The Central Systems Administration Office of the University of Colorado is submitting Part VII-Central System or Group Expenses of the CASB DS-2 report.
7.2.0	**Cost Accumulation and Allocation** The Central Systems Administration Office of the University of Colorado is submitting Part VII-Central System or Group Expenses of the CASB DS-2 report. End of Part