

**WEST VIRGINIA UNIVERSITY**

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

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

**GENERAL INSTRUCTIONS**

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

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

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

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

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

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

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

**COST ACCOUNTING STANDARDS BOARD  
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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.

ATTACHMENT - Blank Continuation Sheet

(ii)

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

**CONTINUATION SHEET**

**West Virginia University**

**Item  
No.**

**Item description**

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

0.1

**Educational Institution**

- (a) Name                      West Virginia University\*  
   Financial Services
- (b) Street Address        One Waterfront Place
- (c) City, State and        Morgantown, WV 26506-6001  
    ZIP Code
- (d) Division or Campus of   N/A  
    (if applicable)

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:   Lisa Lively, Director of Financial Services
- (b)    Phone Number (include area code and extension): (304)293-8638

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.   4
- B.    Effective Date of this Statement: (Specify)   08/21/2009

0.5

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

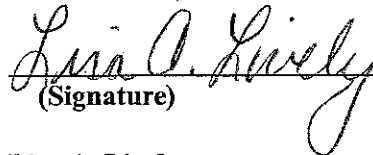
- A. Cognizant Federal Agency:           DHHS Division of Cost Allocation Liaison  
  Room 1067 Cohen Building  
  330 Independence Avenue SW  
  Washington, DC 20201  
  Phone: (202)401-2808
- B. Cognizant Federal Auditor:         DHHS Office of the Inspector General  
  Office of Audit Services  
  Room 514 Lucas Place  
  323 West 8<sup>th</sup> Street  
  Kansas City, MS 64105  
  Phone: (816)374-6714

\*Includes the West Virginia University Research Corporation and the West Virginia University regional divisions which are Potomac State College and the West Virginia University Institute of Technology. The F&A rate calculations do not include Potomac State College.

**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 21, 2009

  
(Signature)

Lisa A. Lively  
(Print or Type Name)

Director, Financial Services,  
West Virginia University  
(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**

**REVISION NUMBER 4  
EFFECTIVE DATE 08/21/2009  
PART I - GENERAL INFORMATION**

West Virginia University

Item No.	Item description
<p><b>1.1.0</b> <u>Revised</u></p>	<p align="center"><b>Part I</b></p> <p><b>Description of Your Cost Accounting System</b> 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.)</p> <p>A.    ___    Accrual</p> <p>B.    ___    Modified Accrual Basis <u>1/</u></p> <p>C.    <u>X</u>    Cash Basis</p> <p>Y.    ___    Other <u>1/</u></p>
<p><b>1.2.0</b> <u>Revised</u></p>	<p><b>Integration of Cost Accounting with Financial Accounting.</b> 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.)</p> <p>A.    ___    Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts.)</p> <p>B.    ___    Not integrated with financial accounting records (Cost data are accumulated on memorandum records.)</p> <p>C.    <u>X</u>    Combination of A and B</p>
<p><b>1.3.0</b></p>	<p><b>Unallowable Costs.</b> Costs that are not reimbursable as allowable costs under the terms and conditions of Federally sponsored agreements are: (Mark one)</p> <p>A.    ___    Specifically identified and recorded separately in the formal financial accounting records. <u>1/</u></p> <p>B.    ___    Identified in separately maintained accounting records or workpapers. <u>1/</u></p> <p>C.    ___    Identifiable through use of less formal accounting techniques that permit audit verification. <u>1/</u></p> <p>D.    <u>X</u>    Combination of A, B or C <u>1/</u></p> <p>E.    ___    Determinable by other means. <u>1/</u></p> <p><u>1/</u> Describe on a Continuation Sheet.</p>

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PART I - GENERAL INFORMATION**

West Virginia University

**Item  
No.**

**Item description**

- 1.3.1 **Treatment of Unallowable Costs.** (Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group office allocates costs to a segment.)
  
- 1.4.0 **Cost Accounting Period:** 7/1 – 6/30 (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.

1/ Describe on a Continuation Sheet.



**COST ACCOUNTING STANDARDS BOARD  
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Continuation Sheet Part I – General  
Information

West Virginia University

**Item  
No.**

**Item description**

1.2.0  
Revised

Combination of A and B. The cost accounting system is integrated with the financial accounting records. (see Section 3.1.0.) The central system expenses (described in Section VII) are not integrated with the University's financial accounting records. These costs are identified through external reports acquired from the State of West Virginia and the State University System. The detail of these reports resides on ancillary records of the State of West Virginia and the West Virginia Higher Education Policy Commission. For the Facilities and Administrative (F & A) Rate proposal, more detailed breakdowns of costs and cost analyses are presented in a separate database system for the F & A cost pools.

Committed cost sharing expenditures are charged to separate accounts in the University's accounting system. These accounts are required to be established when a grant or contract is received.

1.3.0

D. The University utilizes a financial accounting system that incorporates a chart of accounts to provide unique classifications of costs by function, department activity and line item listing for unallowable costs as defined by A-21. University policies and procedures require that unallowable costs be specifically identified and recorded separately in the formal financial accounting records by departmental activity number and by line item.

University policies and procedures require unallowable costs, as defined by A-21, which are allowable under specific conditions, such as advertising, be identified through line item and reviewed for appropriateness. Direct costs which are unallowable due to the specific terms of a sponsored agreement are charged to accounts funded by University sources.

During the preparation of WVU's indirect cost proposal, the formal accounting records are further reviewed to ensure that all unallowable costs have been properly identified and excluded.

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Continuation Sheet Part I – General  
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**West Virginia University**

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1.3.1

**Treatment of Unallowable Costs**

Unallowable costs and directly associated costs are removed from F & A pools before allocation to benefiting functions. In cases where unallowable costs and directly associated costs would normally be included in an allocation base, these costs remain in the base. University policy for recharge centers requires a review and exclusion from the billing rate for unallowable costs under A-21 for Federal awards.

1.4.0

**Cost Accounting Period**

West Virginia University uses the cost accounting period of July 1 through June 30 as its fiscal year. Although expenditures for individual federally sponsored grants and contracts are accumulated according to the award period specified in each award, overall expenditures are accumulated for financial statements and F & A cost study purposes congruent with the University's fiscal year.

1.5.0

**State Laws or Regulations**

As a state higher educational institution, West Virginia University's accounting is consistent with the GASB requirements and Circular A-133 for audit purposes. Please refer to Part 6.1.1 and 6.1.2 for information about state administered pension plans.

-End of Part I-

**COST ACCOUNTING STANDARDS BOARD  
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**REVISION NUMBER 4  
EFFECTIVE DATE 08/21/2009  
PART II - DIRECT COSTS**

West Virginia University

Item No.	Item description
	<p><b>Instructions for Part II</b></p> <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 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.</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>Direct Purchases for Projects are Charged to Projects at:</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>Inventory Requisitions from Central or Common, Institution-owned Inventory. (Identify the inventory valuation method used to charge projects):</p> <p>A. <u>  X  </u> First In, First Out            B. _____ Last In, First Out            C. _____ Average Costs <u>  1/  </u>            D. _____ Predetermined Costs <u>  1/  </u>            Y. _____ Other(s) <u>  1/  </u>            Z. _____ Not Applicable</p> <p><u>  1/  </u> Describe on a Continuation Sheet.</p>

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PART II - DIRECT COSTS**

West Virginia University

Item No.	Item description																																								
2.4.0	<b>Description of Direct Personal Services.</b> All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal services compensation costs, including applicable fringe benefits costs, if any, within each major institutional function or activity that are charged as direct personal services.)																																								
2.5.0 <u>Revised</u>	<p><b>Method of Charging Direct Salaries and Wages.</b> (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.)</p> <table border="0"> <thead> <tr> <th></th> <th align="center" colspan="4"><u>Direct Personal Services Category</u></th> </tr> <tr> <th></th> <th align="center"><u>Faculty</u></th> <th align="center"><u>Staff</u></th> <th align="center"><u>Students</u></th> <th align="center"><u>Other 1/</u></th> </tr> <tr> <th></th> <th align="center">(1)</th> <th align="center">(2)</th> <th align="center">(3)</th> <th align="center">(4)</th> </tr> </thead> <tbody> <tr> <td>A. Payroll Distribution Method (Individual time card/actual hours and rates)</td> <td align="center">_____</td> <td align="center"><u>  X  </u></td> <td align="center"><u>  X  </u></td> <td align="center"><u>  X  </u></td> </tr> <tr> <td>B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)</td> <td align="center"><u>  X  </u></td> <td align="center"><u>  X  </u></td> <td align="center"><u>  X  </u></td> <td align="center">_____</td> </tr> <tr> <td>C. After-the-fact Activity Records (Percentage Distribution of employee activity)</td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>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 align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>Y. Other(s) <u>1/</u></td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> </tr> </tbody> </table> <p><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 1/</u>		(1)	(2)	(3)	(4)	A. Payroll Distribution Method (Individual time card/actual hours and rates)	_____	<u>  X  </u>	<u>  X  </u>	<u>  X  </u>	B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)	<u>  X  </u>	<u>  X  </u>	<u>  X  </u>	_____	C. After-the-fact Activity Records (Percentage Distribution of employee activity)	_____	_____	_____	_____	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 1/</u>																																					
	(1)	(2)	(3)	(4)																																					
A. Payroll Distribution Method (Individual time card/actual hours and rates)	_____	<u>  X  </u>	<u>  X  </u>	<u>  X  </u>																																					
B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)	<u>  X  </u>	<u>  X  </u>	<u>  X  </u>	_____																																					
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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>	_____	_____	_____	_____																																					

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EDUCATIONAL INSTITUTIONS**

**REVISION NUMBER 4  
EFFECTIVE DATE 08/21/2009  
PART II - DIRECT COSTS**

West Virginia University

Item No.	Item description
2.5.1	<p>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.)</p> <p align="center"> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No         </p>
2.5.2	<p>Salary and Wage Cost Accumulation System.</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 <u>Revised</u>	<p><u>Description of Direct Fringe Benefits Costs.</u> All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet <u>all</u> of the different types of fringe benefits which are classified and charged as direct costs, e.g., 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> (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> All other items of cost directly identified with Federally sponsored agreements or similar cost objectives. (List on a continuation sheet the principal classes of other costs which are charged directly, e.g., travel, consultants, services, subgrants, subcontracts, malpractice insurance, etc.)</p>

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Item  
No.

Item description

**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.)

	<u>Materials</u> (1)	<u>Supplies</u> (2)	<u>Services</u> (3)
A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	<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.	<u>  X  </u>	<u>  X  </u>	<u>  X  </u>
C. At established catalog or market competition.	_____	_____	_____
Y. Other(s) <u>1/</u>	_____	_____	_____
Z. Interorganizational transfers are not applicable	_____	_____	_____

1/ Describe on a Continuation Sheet.

**COST ACCOUNTING STANDARDS BOARD  
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Revision Number 4 – Effective Date  
08/21/2009

Continuation Sheet Part II – Direct Costs

West Virginia University

**Item  
No.**

**Item description**

2.1.0

**Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost**

**Objectives**

Direct Costs are those which 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. F & A costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, instructional activity, or any other institutional activity.

West Virginia University's general policy for charging direct costs (See Appendix A) complies with OMB Circular A-21. This policy states that all costs charged to externally funded agreements (grants and contracts) must be allowable, reasonable, and directly allocable to that agreement. The following requirements must be met for a cost to be treated as direct:

- The cost must be allowable under the terms and conditions detailed in the award document.
- The cost must be specifically detailed in the award document or directly allocable to the individual grant or contract. Charges that cannot be directly attributed to the work being performed cannot be charged to the grant or contract.
- The cost must be clearly required by and in accordance with the agreement objectives.
- The cost must be incurred within the authorized period of the grant or contract.
- The cost must be in accordance with the current budget for the grant or contract.

Direct charges are made to projects or other university activities by specific identification in the University accounting system. These may include, but are not limited to, salaries of employees, hourly employees, fringe rates applicable to the employees, direct materials, supplies, purchased services, direct travel, subcontracts and equipment.

West Virginia University charges certain costs as both direct and F & A when they are incurred in unlike circumstances. Certain costs such as administrative and clerical salaries, equipment, materials, and communications costs may be categorized under direct costs on one project while being categorized as F & A costs on another. The circumstances that dictate whether these costs are considered direct are as follows:

1. The services are required by the project scope,
2. The cost can be accurately identified to the project, AND
3. The approved project budget or authorized change clearly states the need for the services.

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	<p><u>Major categories of expenditures that may be treated as either direct or F &amp; A in unlike circumstances.</u></p> <p><b>Administrative and clerical salaries and fringe benefits:</b> Salaries and fringe benefits of administrative and clerical staff are normally treated as F &amp; A costs, as required by OMB Circular A-21. However, in accordance with supplementary guidance on this subject issued by OMB, these costs are treated as 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.</p> <p><b>Equipment:</b> 1) <u>General purpose equipment</u> is generally defined as equipment that is <b>not</b> limited in use to only research, medical, scientific, or other technical activities. Examples of such equipment are office equipment, furnishings, heating and cooling units, passenger and cargo vehicles, computing and automatic data processing devices, cameras, refrigerators, and freezers. Unless specifically provided for in the approved budget, prior approval from the sponsor is required for spending federal funds to acquire general purpose equipment.</p> <p>2) <u>Special purpose equipment</u> is allowable and is generally defined as equipment that may only be used for research, medical, scientific, or other technical activities. This includes such items as microscopes, X-ray machines, and surgical instruments.</p> <p><b>Materials:</b> Costs incurred for purchases of materials, supplies, and fabricated parts directly related to the research agreement are allowable. Direct material costs may include only the materials and supplies actually used for the performance of the research.</p> <p><b>Communications:</b> Communications costs incurred for local and long distance telephone calls, telephone service, telegrams, radiograms, postage, etc., are allowable if directly attributable to the sponsored agreement.</p> <p>West Virginia University's policies permit direct and F &amp; A charges for administrative and clerical salaries, equipment, materials, and communications costs in unlike circumstances consistent with Circular A-21. Size, nature, and complexity of sponsored agreements are important considerations in determining unlike circumstances. Guidelines for determining the appropriate cost on sponsored agreements are provided on the University's intranet. Due to the unique requirements of each sponsored agreement, these circumstances are evaluated on a case by case basis.</p> <p>To implement these policies, the University relies on the judgment of principal investigators and other responsible officials to determine whether these circumstances exist for a particular project. If these circumstances are found to exist, the University requires that the 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 project budget (i.e., does not specifically disapprove the item in the award or other notification to the University), then the University will consider the cost an appropriate direct cost of the project. On the other hand, if the sponsoring agency specifically disapproves the cost, the University 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 &amp; A cost, unless circumstances arise at a later date that justify direct charging of the costs.</p>	
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	<p>When a direct cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost is allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of work involved, then the costs are allocated or transferred to benefited projects on a reasonable basis. This reasonable basis may include the use of recharge rates established by recharge centers. These rates and their supporting calculations are developed according to guidelines that support OMB A-21. If a reasonable distribution of the cost cannot be determined, the cost may be classified as F &amp; A if the amount involved is immaterial or costs of operating a recharge center exceed the benefit.</p> <p>Other special circumstances for direct charging of costs are needed when the specific support services are not provided by the F &amp; A accounts. These include, but are not limited to specialized facilities costs such as security systems, special construction or other project specific facilities costs that are charged to the project.</p> <p>F &amp; A costs are general institutional expenditures that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. These costs include the operation and maintenance of buildings and grounds, the depreciation for buildings and equipment, central and departmental administrative expenses, sponsored project administration and library costs. The allocation of F &amp; A costs is described in Section III.</p>
2.2.0	<p><b>Description of Direct Materials</b></p> <p>Materials and supplies which can be directly identified to sponsored agreements include materials, laboratory and general supplies, books, computer software, service and recharge center expenses, postage, freight, photocopies, animals, chemicals, gases, and tools. Direct materials charged directly to sponsored agreements must meet the qualifications of direct costs as described in 2.1.0.</p>
2.3.2	<p><b>Inventory Requisitions from Central or Common, Institution-owned Inventory</b></p> <p>Inventories are stated at the lower -of-cost or market, cost being determined principally on the first-in, first-out method.</p>
2.4.0	<p><b>Description of Direct Personal Services</b></p> <p>At West Virginia University, direct personal services are grouped into two categories:</p> <ol style="list-style-type: none"> <li>1) Employees</li> <li>2) Consultants or Contractors (this category is paid through accounts payable and is covered under item 2.7.0)</li> </ol>

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Employees are grouped into three categories:

- 1) Faculty
- 2) Staff
- 3) Student employees

Employee compensation for direct personal services may be charged to a sponsored project, or to any final cost objective, as long as it meets the criteria described in item 2.1.0. Such compensation includes salaries or wages, fringe benefits (described in item 2.6.0), and compensated absences.

**1) Faculty**

Faculty are compensated by a base salary that varies depending on their school and the specific terms of their appointment. Faculty who perform additional administrative duties, instruction, or research in excess of their regular appointment may receive a supplement to their base salary. Faculty are eligible for a specific package of benefits that is covered in item 2.6.0. Only 12-month faculty members accrue paid time-off for sickness and vacation.

**2) Staff**

**A. Exempt staff**

Exempt staff are paid an annual salary and are not eligible for overtime compensation. The West Virginia University regular work week is 37.5 hours per week but exempt staff may be expected to work greater than 37.5 hours per week without additional compensation. Exempt staff are eligible for a specific package of benefits that is covered in item 2.6.0, and they accrue paid time off for sickness and vacation. Rate of accrual for vacation time is dependent on length of service.

**B. Non-exempt staff**

Non-exempt staff are paid an annual amount for a 37.5 hour work week or a portion thereof. If they work more than a standard week, then they are paid overtime at their normal hourly compensation rate up to 40 hours for the week. Any amount of hours worked over 40 is compensated at a rate of one and a half times the normal hourly compensation rate. (Example: A non-exempt employee works 42 hours one week. He is entitled to 2.5 hours of straight overtime and 2 hours of time and a half overtime.) The employee is also entitled to take compensated time off in exchange for the overtime. Non-exempt staff are eligible for a specific benefit package that is covered in item 2.6.0, and they accrue paid time off for sickness and vacation. Rate of accrual of vacation time is dependent on length of service.

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	<p>C. Temporary and casual employees</p> <p>Temporary employees are defined as those employees who are employed to work for a period of time that is less than 9 months in a 12 month period. Casual employees are hired at a department's discretion and are not permitted to work more than 225 hours a year. Compensation for temporary and casual employees is set at an hourly rate and they are paid for hours worked. Temporary and casual employees are generally not eligible for benefits and do not accrue paid time off for sickness and vacation.</p> <p><b>3) Student Employees</b></p> <p>Student employees can be paid on an hourly or salary basis. Students that are paid hourly are either employed by the department or through the federal work-study program. These hourly student positions are part-time appointments that are not eligible for fringe benefits. Students that are employed on a salary basis are graduate research, teaching, and administrative assistants. Graduate assistants do receive tuition waivers and are eligible for health insurance.</p> <p>At the West Virginia University Research Corporation (WVURC), direct personal services refer to employees.</p> <p>Employees are grouped into three categories:</p> <ol style="list-style-type: none"> <li>1) Full-time</li> <li>2) Part-time</li> <li>3) Temporary</li> </ol> <p>Employee compensation for direct personal services may be charged to a sponsored project, or to any final cost objective, as long as it meets the criteria described in item 2.1.0. Such compensation includes salaries or wages, fringe benefits (described in 2.6.0), and compensated absences.</p> <ol style="list-style-type: none"> <li>1) Full-time <p>Full-time employees work 30 or more hours per week for more than 90 days. They are considered eligible for optional benefit plans, paid time off (PTO) for personal absences and designated holidays. The rate of accrual for PTO is dependent upon the employee's length of service.</p> </li> <li>2) Part-time <p>Part-time employees work less than 30 hours per week for more than 90 days. They are ineligible for optional benefit plans and paid time off (PTO) for personal absences, however, are granted prorated payment for designated holidays.</p> </li> </ol>

3) Temporary

Temporary employees are intended to work less than 90 days, are paid for actual hours worked, and are ineligible for optional benefit plans, paid time off (PTO) for personal absences and designated holidays.

Employees of all categories are classified as Exempt or Non-exempt according to the Fair Labor Standards Act based their employment activities.

1) Exempt

Exempt employees are provided an annualized salary based upon their standard work week, and are paid semi-monthly in 24 installments. Exempt employees may be required to work in excess of 40 hours in a work week, and are ineligible for overtime pay if this occurs.

2) Non-exempt

Non-exempt employees are provided an annualized salary based upon their standard work week, and are paid semi-monthly in 24 installments. In the event a non-exempt employee is required to work in excess of 40 hours in a work week, they are eligible to receive overtime pay for these hours.

2.5.0

**Method of Charging Direct Salaries and Wages**

A. Payroll Distribution Method

1) West Virginia University

This method of tracking hours worked is used for non-exempt staff for hourly pay and overtime pay, for temporary or casual staff hourly pay, and for student hourly pay. In addition, this method is also used for special supplemental payments for employees who will be paid a lump sum payment for a special project.

Hourly employees are maintained in the University's payroll system (demographics, assignment, funding, salary and taxing information).

Employees are paid according to number of hours worked and submitted through batch element entry according to cutoff dates of the Payroll Data Input Schedule. Batch element entry allows departments to enter multiple employees to be paid. When hours have been entered, batches are validated to ensure there are no errors. If errors are produced, the error is corrected and the batch is revalidated. Once validation is completed, payroll is notified to transfer the batch. Transferring of the batch applies hours to the employees keyed to the designated assignment(s).

Salary administration forms are used for faculty, full-time regular classified staff, non-classified and graduate assistant students at West Virginia University. The form includes the employee's payroll system employee number. The information is entered into the payroll system and is effective according to the date noted on the form.

If an individual's salary changes, an updated salary form must be submitted to the payroll office with proper documentation (Compensation & Classification Unit, Social Justice or Provost's, according to classification) to support the salary change.

If there is a funding change after the payroll has been generated, the department will process a Labor Distribution (LD) adjustment. LD adjustments are permitted for current fiscal year without prior approval if

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2.5.2

**Salary and Wage Cost Accumulation System**

West Virginia University has two types of time recording records: 1) Batch Element Entry and 2) Salary Administration Forms.

After data from batch element entry and salary administration forms are entered into the payroll system, processes are generated to extract the data and gross dollar information and transmitted via a flat file to the State Auditor's Office. The State Auditor's Office generates the net dollars and a payroll register is prepared. This information is sent to West Virginia University via a flat file process. Processes are generated through the system to reconcile earnings and deductions between the University's payroll/financial system and the State system (EPICS). Departments are sent a copy of the payroll edits for their units 5 – 7 days prior to payday to verify gross dollar amounts of employees.

2.6.0

Revised

**Description of Direct Fringe Benefits Costs**

1) West Virginia University

To be benefits eligible, an employee must be a benefits eligible employee who works **at least** 20 hours a week for a 12 month position or 28 hours a week for a 9 month position. For sponsored agreements, fringe benefits costs are assigned directly to the grant account by a negotiated fringe rate. Fringe benefits are classified as:

a) Paid Absences - vacation, holidays, sick leave, etc. Paid absences are a part of the employee's gross salary or wage. WVU claims reimbursement by charging the sponsored agreement the amount of the salary paid to the employee during a period of approved absence. One exception to this is the payment of terminated annual leave. Annual leave paid upon termination of employment is included in the fringe rates. The absences for which employees are paid through continuation of their gross salary are vacation, holiday, sick leave, military leave, jury duty, declared emergency leave, grievance participation, on-the-job injuries of three or fewer days duration, witness leave when subpoenaed, employee education leave, professional development program, attendance at state of WV legislative sessions, WVU Training & Development Workshop participation, supervisory-required training, Faculty and Staff Assistance Program participation, participation in university-recognized meetings by assignment or election, administrative leave, donation of blood products, and sabbaticals.

b) Other Benefits - include Insurance, FICA, Medicare, Worker's Compensation, Unemployment Compensation, Retirement, Child Care, and terminated annual leave pay-outs. These benefits are recovered in the fringe rate calculation that is applied to the direct salaries paid from sponsored agreements. Benefits eligible employees are eligible for insurance, retirement, child care, FICA, Medicare, Workers' Compensations and Unemployment Compensation. Non-benefits eligible employees are eligible for FICA, Medicare, Workers' Compensation, and Unemployment Compensation within the limits of the state policy requirements. Students employed part-time are allowed to request exemption from FICA and Medicare under IRS regulations. Workers' Compensation is paid for all student workers and graduate assistants are eligible for health insurance.

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**2) West Virginia University Research Corporation**

To be benefits eligible, a WVURC employee must consistently work 30 or more hours per work week in a position anticipated to exist longer than 90 days. For sponsored agreements, fringe benefits costs are assigned directly to the grant account by a negotiated fringe rate. Fringe benefits are classified as:

- 1) **Paid Absences** -- Paid absences are part of the employee's gross salary or wage. WVURC claims reimbursement by charging the sponsored agreement the amount of the salary paid to the employee during a period of approved absence. One exception to this is the payment of terminated annual leave. Annual leave paid upon termination of employment is included in the fringe rates. The absences for which WVURC employees are paid through continuation of their gross salary are PTO, holiday, declared emergency leave, military leave as required through USERRA, jury/witness duty when subpoenaed, and on-the-job injuries of three or fewer days duration.
- 2) **Other Benefits** – Health (medical, vision, prescription, dental) insurances, short-term disability insurance, long-term disability insurance, basic life and AD&D insurance, FICA, Medicare, Worker's Compensation, Unemployment Compensation and terminated annual leave pay-outs are provided for WVURC employees. These benefits are recovered in the fringe rate calculation that is applied to the direct salaries paid from sponsored agreements. Benefits eligible employees are eligible for all of these options. Non-benefits eligible employees receive FICA, Medicare, Worker's Compensation, and Unemployment Compensation benefits.

2.6.1

**Method of Charging Direct Fringe Benefits**

Fixed fringe benefit rates are used to charge fringe benefit costs to sponsored agreements by applying the rates to direct salaries and wages paid from sponsored funding. As payroll expenditures are charged to the appropriate sponsored agreement accounts in the WVU accounting system, the associated fringe benefit rates are applied to the payroll charges and posted to the same account.

West Virginia University uses four fringe benefit rates: 1) the fringe benefit rate for benefits eligible employees, 2) the fringe benefit rate for non-benefits eligible employees, 3) the fringe benefit rate for student workers, and 4) the fringe benefit rate for graduate assistants. The total actual cost of fringe benefits for each category is divided by the salary and wage base of that category which establishes a rate for each. The actual fringe benefit costs that are attributable to sponsored agreements are expensed to the sponsored agreement fringe pool on a cash basis. These actual costs are compared annually to the fixed fringe benefit rates that are charged to sponsored agreements. Any under-recovery or over-recovery of fringe benefit costs from the prior period is carried forward to adjust the fringe benefit rates when the rates are prepared and settled.

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2.7.0	<p><b>Description of Other Direct Costs</b></p> <p>The principle of other costs which are treated as direct costs when they can be identified specifically with a particular sponsored project, instructional activity, or similar cost objective, or can be directly assigned to such activities relatively easily include: travel, consultants, subcontracts, computer equipment, other equipment, equipment maintenance and repairs, equipment rental, laboratory services, computer and networking services, off campus facility rental, recharge and service center services, and other miscellaneous charges</p>
2.8.0	<p><b>Cost Transfers</b></p> <p>The answer is typically yes, except for the rare cases when a multi-year sponsored agreement has different F&amp;A rates negotiated for consecutive years. In this case, the rate used to calculate F &amp; A costs may differ from the rate used at the time of the original charge. The differences would not be material.</p>
2.9.0	<p><b>Inter-organizational Transfers</b></p> <p>There are two types of recharge mechanisms:</p> <p>1) Academic Departments/Research Centers - Interdepartmental charges that are not related to the primary missions of instruction, research, and public service are treated as direct reductions of the expense incurred and therefore cannot exceed the direct cost of the service. The rates developed for institutional sales to sponsored agreements can only include the direct costs allocable and attributable to the activity being performed.</p> <p>2) Service Centers - This is an approved organizational unit established to provide or distribute goods or services primarily to intra-institutional users. An entity must be established by authorization of the University to be considered approved. The rates developed for sales of service centers must be designed to recover only the allowable portions of cost depending on the customer. For sponsored agreements, federally funded direct costs, federally funded equipment depreciation, and unallowable costs are not included. Departmental F &amp; A costs are included and institutional F &amp; A costs are included with approval. Any indirect costs that are included in the service rates are not included in the overall Facilities and Administrative Rate.</p> <p align="center">-End of Part II-</p> <p align="center">II-14</p>



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	<p align="center"><b>Instructions for Part III</b></p> <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"> <li>A. Direct Charge or Allocation</li> <li>B. Total Expenditures</li> <li>C. Modified Total Cost Basis</li> <li>D. Modified Total Direct Cost Basis</li> <li>E. Salaries and Wages</li> <li>F. Salaries, Wages and Fringe Benefits</li> <li>G. Number of Employees (head count)</li> <li>H. Number of Employees (full-time equivalent basis)</li> <li>I. Number of Students (head count)</li> <li>J. Number of Students (full-time equivalent basis)</li> <li>K. Student Hours -- classroom and work performed</li> <li>L. Square Footage</li> <li>M. Usage</li> <li>N. Unit of Product</li> <li>O. Total Production</li> <li>P. More than one base (Separate Cost Groupings) <u>1/</u></li> <li>Y. Other(s) <u>1/</u></li> <li>Z. Category or Pool not applicable</li> </ul> <p><u>1/</u> List on a continuation sheet, the category and subgrouping(s) of expense involved and the allocation base(s) used.</p>

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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 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.")

<u>Indirect Cost Category</u>	<u>Accumulation Method</u>	<u>Allocation Base Code</u>	<u>Allocation Sequence</u>
(a) Depreciation/Use Allowances/Interest			<u>1</u>
Building	<u>Y</u>	<u>L</u>	
Equipment	<u>Y</u>	<u>P</u>	
Capital Improvements to Land <u>1/</u>	<u>Y</u>	<u>P</u>	
Interest <u>1/</u>	<u>Y</u>	<u>L</u>	
(b) Operation and Maintenance	<u>Y</u>	<u>L</u>	<u>2</u>
(c) General Administration and General Expense	<u>N</u>	<u>D</u>	<u>3</u>
(d) Departmental Administration	<u>Y</u>	<u>P</u>	
(e) Sponsored Projects Administration	<u>Y</u>	<u>D</u>	
(f) Library	<u>Y</u>	<u>P</u>	
(g) Student Administration and Services	<u>Y</u>	<u>Y</u>	
(h) Other <u>1/</u>	N/A		

1/ Describe on a Continuation Sheet.

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**3.2.0  
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**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	<u>Z</u>					
(b) Business Data Processing	<u>Z</u>					
(c) Animal Care Facilities	<u>C</u>	<u>A</u>	<u>B</u>	<u>A</u>	<u>A</u>	<u>Y</u>
(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)						
Telecommunications	<u>C</u>	<u>A</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>B</u>
Motor Pool	<u>C</u>	<u>A</u>	<u>D</u>	<u>A</u>	<u>A</u>	<u>Y</u>

- (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" -- billings (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 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).

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3.3.0

**Indirect Cost Pools and Allocation Bases** (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.)

Indirect Cost Pools

Allocation  
Base Code

**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 1/**

  D  

3.4.0  
Revised

**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.)

1/ Describe on a Continuation Sheet.

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

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 <sup>1/</sup>

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

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Item No.	Item description
3.1.0	<p><b>Indirect Cost Categories</b></p> <p><b>(a) Depreciation/Interest</b></p> <p>The total cost of buildings, equipment, and capital improvements to land are recorded in the University's accounting system. Detailed support of recorded costs are maintained in subsidiary systems and records.</p> <p>Equipment depreciation costs are matched to a room on the space inventory and summarized by building. These costs are then allocated based on the functional use of the space per the space inventory. Equipment depreciation costs that cannot be identified to a room are summarized to the department level and then allocated to all cost pools on a basis of assignable square footage for the department. Any remaining equipment depreciation costs that have not been allocated are summarized by building and then allocated to the cost pools on the basis of assignable square footage for the building.</p> <p>Depreciation on capital improvements to land are allocated to user categories of students and to employees on a full-time equivalent basis. Portions allocable to students are assigned to the instruction function and those portions allocable to employees are assigned to the functions of the University according to the salaries and wages distribution.</p> <p>Interest on buildings is allocated to the cost pools based upon the assignable square footage of the buildings for which the interest relates.</p> <p><b>b) Operation and Maintenance</b></p> <p>All Operation and Maintenance costs are allocated based on the assignable square footage of the benefiting space except for the Personal Rapid Transportation pool. This pool is allocated to user categories of students and to employees on a full-time equivalent basis. Portions allocable to students are assigned to the instruction function and those portions allocable to employees are assigned to the functions of the University according to the salaries and wages distribution.</p> <p><b>(c) General Administrative and General Expense</b></p> <p>All costs that are classified as general administrative and general expense are included in the accounting system except for central system and state administrative expenses. The identification and accumulation of these expenditures is described in question 7.2.B.</p> <p><b>(d) Departmental Administration</b></p> <p>The 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 as specified in</p>

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Circular A-21. The costs for the Dean's offices are identified by the accounting system. The administrative costs of Dean's offices are distributed to the departments that they serve based on the MTDC base of each department.

The remaining departmental support costs include the salaries and fringe benefits of administrative and clerical staff (excluding direct charges for administrative and clerical services under the conditions discussed in 2.1.0), office supplies, postage, travel associated with administrative activities, etc. This portion of departmental administration expense is accumulated through an analysis of departmental accounts and the application of "Direct Charge Equivalents" (DCE's). DCE's are mathematical formulas which estimate the portion of departmental general fund expenses that should be assigned directly to instruction and other non-sponsored direct cost objectives, and the portion that should be included in the Departmental Administration F & A pool. These expenditures are then distributed to the functions based upon each department's MTDC base.

**(f) The Library**

The expenditures in the library cost pool are first allocated to students, faculty/professionals, and other users on a full-time equivalent (FTE) basis. The amount allocated to students is assigned to instruction. The amount allocated to the faculty/professional employees is assigned to the major functions of the University according to the salaries and wages distribution. The amount allocated to other users is assigned to the other institutional activities pool.

**(g) Student Administration and Services**

All cost associated with this cost category are allocated to the F & A cost pool for instruction per Circular A-21.

3.2.0  
Revised

**Service Centers**

	(1)	(2)	(3)	(4)	(5)	(6)
Printing Services	<u>C</u>	<u>A</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>B</u>
Creative Services	<u>C</u>	<u>A</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>B</u>
Facilities/Construction Services	<u>C</u>	<u>A</u>	<u>C</u>	<u>A</u>	<u>A</u>	<u>B</u>

**(c) Animal Quarters – (6) Actual costs have always exceeded billing rates. The facility uses central resources to balance it budget. The use of central resources for service departments is allocated to "Other Institutional Activities" in the F & A cost proposal.**

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<p>3.4.0 Revised</p>	<p>(d) Motor Pool – (6) No variances due to billings being based on actual expenditures.</p> <p><b>Composition of Indirect Cost Pools</b></p> <p>Note: Except for (l.d) below and the statewide allocation amount discussed in Part VII, the F &amp; A expenditures are recorded and accumulated as expenditures in the University's integrated financial accounting system. To adhere to OMB Circular A-21 and the cost accounting standards, some regrouping of the recorded costs is necessary. Such reclassifications are generally based on attributes found in the integrated financial accounting system data. The reclassified costs are reconcilable to the University's audited financial statements.</p> <p><b>I. <u>Depreciation/Interest</u></b></p> <p><b>a) Building Depreciation cost pool</b></p> <p>The building depreciation cost pool includes the depreciation for the costs of each building less the depreciation on the capitalized costs paid by the Federal government. Depreciation on non-WVU owned buildings and off-campus rentals are not included.</p> <p><b>b) Equipment Depreciation cost pools</b></p> <p>This cost pool contains the depreciation for all equipment at West Virginia University with a unit cost of at least \$5,000 and a useful life of one year or more. Depreciation is calculated on the cost of the asset after deducting federal contributions. Unusable/unassigned equipment is excluded from the calculation. Types of equipment included are: Computer Equipment, Computer Hardware, Medical-Hospital Equipment, Laboratory Equipment, Dental-Opti-Veterinary –Other Equip, Aircraft-Watercraft, Vehicles, Office Equipment, Communication Equipment, Household Equipment – Furniture, Construction – Farm Equipment, Firearms – Police Equipment, Plant Operation-Repair-Maintenance Equipment and Food Processing-Storage-Prep-Equipment.</p> <p><b>c) Land Improvements Depreciation cost pool</b></p> <p>Land improvements are any improvements with a limited life made to ready land for its intended use that is not part of an infrastructure network. Examples of land improvements are parking lots, landscaping, benches, fountains, bleachers, retaining walls, and septic systems. The land improvement depreciation cost pool includes the depreciation for improvements that cannot be specifically identified to one building and are beneficial to the campus as a whole. The depreciation is applied after federal contributions are deducted.</p> <p><b>d) Interest</b></p> <p>Any interest expense in this F &amp; A pool will be interest on debt associated with buildings, equipment, and capital improvements.</p>



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**II. Operation and Maintenance cost pools**

Operation and Maintenance expenses are incurred for the administration, supervision, operation, maintenance, preservation, and protection of West Virginia University's physical plant. These cost pools include expenses for janitorial services; utilities; repairs and ordinary or normal alterations of buildings and other plant facilities; care of grounds; maintenance and operation of buildings and other plant facilities; hazardous waste disposal; property, liability, and all other insurance relating to property; security; environmental health and safety; and facilities planning and management.

The Operation and Maintenance expenses also include the fringe benefits costs applicable to the salaries and wages allocated and the building, equipment, and land improvement depreciation applicable to the space assigned to the Operation and Maintenance function. Operations and maintenance expenditures are recorded in the integrated financial accounting system by function, fund, department, and line items.

A description of each Operations & Maintenance cost pool is as follows:

**a) Downtown & Evansdale O&M**

This pool contains the operations and maintenance costs that support the WVU downtown and Evansdale campuses only. This pool does not include utilities or any campus wide costs.

**b) O&M Utilities – Electric**

This pool contains the costs for electricity for the WVU downtown and Evansdale campuses.

**c) O&M Utilities – Gas**

This pool contains the costs for natural gas for the WVU downtown and Evansdale campuses.

**d) O&M Utilities – Steam**

This pool contains the costs for steam for the WVU downtown and Evansdale campuses.

**e) O&M Utilities – Water**

This pool contains the costs for water for the WVU downtown and Evansdale campuses.

**f) O&M Utilities – Trash**

This pool contains the costs for trash for the WVU downtown and Evansdale campuses

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	<p><b>g) Health Science Center O&amp;M</b></p> <p>This pool contains the operations and maintenance costs that support the Health Science Center campus. This pool does include utilities for the Health Science Center.</p> <p><b>h) Charleston Medical Division O&amp;M</b></p> <p>This pool contains the operations and maintenance costs that support the Charleston Medical Division. This pool does include utilities for the Charleston Medical Division.</p> <p><b>i) Department Paid O&amp;M</b></p> <p>Departmental paid operations and maintenance expenditures are included in this O&amp;M pool. Any costs incurred by departments for operations and maintenance functions are transferred to the Department Paid O &amp; M pool.</p> <p><b>j) Campus Wide O&amp;M</b></p> <p>The costs in this pool are those O&amp;M costs that benefit the whole campus such as public safety, environmental health and safety, etc.</p> <p><b>k) Rent</b></p> <p>The costs in this pool are those expenditures for centrally paid rent for buildings.</p> <p><b>l) PRT O&amp;M</b></p> <p>The costs in this pool are those expenditures paid for the operation and maintenance of the Personal Rapid Transportation System. This transportation system provides a means for faculty, staff, and students to travel from one campus to another.</p> <p><b>m) OIA O&amp;M – new</b></p> <p>This pool contains operations and maintenance costs that support Other Institutional Activity that occurs on campus.</p> <p><b>n) Tech O&amp;M – new</b></p> <p>This pool contains operations and maintenance costs that support the West Virginia University Institute of Technology campus in Montgomery WV. This pool includes utilities and campus wide costs.</p>

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**III. General Administration and General Expenses**

General Administration and General Expenses are incurred by the general, executive, and administrative offices of the University and other expenses of a general character that do not solely relate to any major function of the institution. The University has two General Administration pools. They are:

**a) University General Administration Pool**

These costs include but are not limited to the following types: central university system and state administrative services, central administrative services, the President's Office, offices that conduct campus-wide financial management, the central accounting offices (with the exception of those involved with sponsored research accounting), human resources, internal audit, budget planning, risk and insurance management, institutional analysis & planning, computing services, and procurement services. Computing services that benefit student activities are placed in the Student Administration and Services pool. General Administrative expenses do not include expenses for dean's offices, academic departments, organized research units, or other similar organizational units. In addition, it also includes its allocable share of fringe benefits costs, operation and maintenance expenses, depreciation and interest costs.

**b) Health Science Center Pool**

These costs are for the central administrative services provided by the Health Science Center for the operation of the colleges and research centers operated by the Health Science Center.

**c) West Virginia University Institute of Technology General Administration Pool – new**

These costs are for the central administrative services provided by WVUIT for the operation of the colleges operated by Tech on the Montgomery campus.

**IV. Department Administration**

This pool includes costs incurred for administrative and supporting services that benefit common or joint departmental activities or objectives in academic dean's offices, academic departments and divisions, and organized research institutes, study centers, and research centers. The Department Administration Expenses also include an allocable share of the fringe benefits costs, depreciation and interest, operations and maintenance expense, and general administration and general expenses. Refer to 3.5.0 for further explanation of this pool.

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**V. Sponsored Projects Administration**

Sponsored Projects Administration expenses are incurred by a separate department(s) established primarily to administer sponsored projects. Expenditures included in this pool include grant and contract administration, special security, purchasing, personnel, administration, and editing and publishing of research and other reports. This pool does not include expenditures incurred to conduct cost studies or indirect cost proposals. Sponsored Projects Administration expenses include the salaries and expenses of the head of such an organization, assistants, and immediate staff, together with the salaries and expenses of personnel engaged in supporting activities maintained by the organization. This category also includes an allocable share of fringe benefits costs, general administration and general expenses, operation and maintenance expenses, depreciation and interest. Included in this category are the offices of sponsored programs, sponsored research accounting, and the Vice President for Research and Economic Development. Sponsored programs is responsible for the overall administration related to the submission of proposals and the oversight of the pre-award process which includes the proper documentation on awards involving human or animal subjects and protocols relating to environmental health and safety issues. This office is also active in educating faculty members on available programs, revising budgets, and making the determination of the indirect cost classification of awards. Sponsored research accounting is a part of Financial Services which supports the financial administration of all sponsored awards received by West Virginia University. This office is responsible for approving financial transactions, invoicing costs, and performing post award close-out activities. The Vice President for Research and Economic Development provides leadership in the development and facilitation of research and scholarly activity. The costs of the Vice President for Research and Economic Development that provide campus wide sponsored projects administration duties are placed in this pool.

**VI. Library**

Library expenses include those expenses that have been incurred for the operation of the library, including the cost of books and library materials purchased for the library, less any items of library income that qualify as applicable credits. The Library expenses are composed of salaries and wages, fringe benefits costs applicable to the salaries and wages, depreciation and interest, operations and maintenance expense, and general administration and general expense.

**VII. Student Administration and Services**

The expenses included in this pool are those that have been incurred for the administration of student affairs and services, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisors, student health and infirmary services, catalogs, and commencements and convocations. This expense category also includes salaries and wages, fringe benefits costs applicable to the salaries and wages, and an appropriate share of operations and maintenance, depreciation and interest, and general administration and general expense.

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**Composition of Allocation Bases.**

**I. Depreciation/Interest**

**a) Buildings**

Building depreciation is allocated on a building-by-building basis among functions performed in each building based on the amount of net square feet occupied by each function.

Functional usage is determined on a room-by-room basis through a periodic space inventory and functional use survey, which assigns a specific percentage of use to each function performed in each room. In the space survey, all assignable square footage of benefiting activities is included. Common areas such as hallways, stairwells and restrooms are excluded. The space inventory and functional usage study is very important to the West Virginia University F & A cost calculations because it ensures an equitable allocation of facilities related expenses including building and equipment depreciation, interest expense, and operations and maintenance expense to sponsored programs and other functions at the University.

**b) Equipment**

Equipment depreciation costs are matched to a room on the space inventory and summarized by building. These costs are then allocated based on the functional use of the space per the space inventory.

Equipment depreciation costs that cannot be identified to a room are summarized to the department level and then allocated to all cost pools on a basis of assignable square footage for the department. Any remaining equipment depreciation costs that have not been allocated are summarized by building and then allocated to the cost pools on the basis of assignable square footage for the building.

**c) Land Improvements**

Land improvement depreciation is allocated between students and employees on the basis of the number of students and employees on a Full-Time Equivalent basis (FTE). The portion allocated to students is assigned to instruction. The portion allocated to employees is further allocated to major functions of the University based on the proportion of total salaries and wages associated with each major function.

Building, equipment, and land improvement depreciation are allocated to the following functions: Instruction, Organized Research, Library, Student Administration and Services, Sponsored Project Administration, Department Administration, General Administration and General Expense, Operations and Maintenance, Other Sponsored Activities, and Other Institutional Activities.

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**II. Operation and Maintenance**

The following cost groups receive an allocation from the Operations and Maintenance cost pools: Instruction, Organized Research, Library, Student Administration and Services, Sponsored Project Administration, Department Administration, General Administration and General Expense, Other Sponsored Activities, and Other Institutional Activities. Auxiliary activities within the Other Institutional Activities cost pool do not receive an allocation from the Downtown & Evansdale O&M cost pool or the utility cost pools because they pay these expenditures directly.

A description of each Operations & Maintenance cost pool is as follows:

**a) Downtown & Evansdale O&M**

This pool is allocated based on the functional use of space of the assignable square feet of the buildings that benefit from these services (specifically buildings on the WVU downtown and Evansdale campuses).

**b) O&M Utilities – Electric**

This pool is allocated to the buildings on the WVU downtown and Evansdale campuses that receive centrally paid electricity and do not reimburse the central unit for these costs. The allocation is based upon the functional use of space of the assignable square feet of the benefiting buildings.

**c) O&M Utilities – Gas**

This pool is allocated to the buildings on the WVU downtown and Evansdale campuses that receive centrally paid natural gas and do not reimburse the central unit for these costs. The allocation is based upon the functional use of space of the assignable square feet of the benefiting buildings.

**d) O&M Utilities – Steam**

This pool is allocated to the buildings on the WVU downtown and Evansdale campuses that receive centrally paid steam and do not reimburse the central unit for these costs. The allocation is based upon the functional use of space of the assignable square feet of the benefiting buildings.

**e) O&M Utilities – Water**

This pool is allocated to the buildings on the WVU downtown and Evansdale campuses that receive centrally paid water and do not reimburse the central unit for these costs. The allocation is based upon the functional use of space of the assignable square feet of the benefiting buildings.

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**f) O&M Utilities – Trash**

This pool is allocated to the buildings on the WVU downtown and Evansdale campuses that receive centrally paid trash services and do not reimburse the central unit for these costs. The allocation is based upon the functional use of space of the assignable square feet of the benefiting buildings.

**g) Health Science Center O&M**

The Health Science Center O&M pool is allocated to the buildings of the Health Sciences Center based upon the functional use of space of the assignable square feet of the benefiting buildings.

**h) Charleston Medical Division O&M**

The Charleston Medical Division O&M pool is allocated to the Charleston Medical Division building based upon the functional use of space of the assignable square feet of the building.

**i) Department Paid O&M**

Costs in the Department Paid Operations & Maintenance cost pool are allocated to all cost pools on a basis of assignable square footage for the department that incurred the costs.

**j) Campus Wide O&M**

Costs in the Campus Wide O&M pool are allocated to the whole WVU campus based upon the functional use of space of the assignable square feet of the buildings.

**k) Rent**

These rent costs are allocated based upon the functional use of space of the assignable square feet of the building for which the rent is paid.

**l) PRT O&M**

The Personal Rapid Transportation system O&M pool is allocated between students and employees on the basis of the number of students and employees on a Full-Time Equivalent basis (FTE). The portion allocated to students is assigned to instruction. The portion allocated to employees is further allocated to major functions of the University based on the proportion of total salaries and wages associated with each major function.

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**m) OIA O&M – new**

The costs in this pool are allocated to the Other Institutional Activity cost group.

**n) Tech O&M – new**

The West Virginia University Institute of Technology O&M pool is allocated to the buildings on the Tech campus in Montgomery based upon the functional use of space of the assignable square feet of the benefiting buildings.

**III. General Administration and General Expense**

General administration and general expenses are allocated to the functions based on the modified total direct costs of each function, excluding the Operations and Maintenance and General Administration and General Expense functions.

Modified total direct costs (MTDC) include salaries and wages, fringe benefits, materials and supplies, services, travel, and subcontracts up to \$25,000. The MTDC does not include capital expenditures, rental/maintenance of off-site activities, and student tuition remission and student support costs (i.e. student aid, stipends, scholarships etc.). Also, in circumstances where unallowable costs normally would be part of a regular facilities and administration cost allocation base or bases, they shall remain in such base or bases.

Research expenses incurred under committed cost sharing agreements are treated as University Research and are included in the Organized Research MTDC base. Sponsored instruction expenses incurred under committed cost sharing agreements are included in the Instruction MTDC base and Other Sponsored Activities expenses incurred under committed cost sharing agreements are included in the Other Sponsored Activities MTDC base.

The following cost groups receive an allocation from the General Administration and General Expense pool: Instruction, Organized Research, Library, Student Administration and Services, Sponsored Project Administration, Department Administration, Other Sponsored Activities, and Other Institutional Activities.



#### **IV. Department Administration**

A formula driven methodology is used to calculate a portion of the Departmental Administration rate component. A unique DA cost pool is established for each academic department. Within each of these cost pools, five separate components are calculated:

1. 100 % Administrative salaries and wages
2. DCE for General Support salaries and wages
3. 3.6% Faculty and Professional salaries and wages
4. Pro-rated share of employee benefits
5. Pro-rated for other operating supplies and expense

##### **Administrative and General Support Salaries and Wages**

The first two components, Administrative and General Support salaries and wages are determined through a review of the institution's payroll system. Job positions for each academic department that are defined as professional administrative are categorized as 100 percent departmental administration.

Job positions per each academic department that are defined as General Support (e.g. secretaries, office clerks, etc.), Faculty and Professional (e.g. professors, scientists, and researchers), and Technical are used to calculate a direct charge equivalent (DCE). Note that professional technical positions are treated as part of the Faculty and Professional classification.

The DCE ratio is defined as General Support salaries and wages charged to sponsored agreements, divided by Faculty and Professional salaries and wages charged to sponsored agreements. The DCE ratio is computed on a department-by-department basis. The DCE ratio is then compared against the actual General Support salaries and wages and the actual Faculty and Professional salaries and wages (less the 3.6% Faculty Administrative Allowance) which have been charged to each department's general operating fund.

When the DCE ratio is less than the ratio calculated for the general operating fund for a given department, an excess or residual of General Support salaries and wages exists within the general operating fund. This excess is treated as Departmental Administration and is transferred to the DA cost pool. When the DCE ratio is greater than the ratio calculated for the general operating fund, no excess General Support salaries and wages exists and no transfer is made to the DA cost pool.

The important assumption underlying this methodology is that the General Support salaries that support the Faculty and Professional salaries within the general operating fund be in the same proportion as the General Support salaries that support the Faculty and Professional salaries for sponsored agreements. The actual transfer of costs to the Department Administration pool comes from non-sponsored accounts only.

##### **Faculty and Professional Salaries and Wages**

The next component, Faculty and Professional (F&P) salaries and wages is determined by taking the modified total direct costs (MTDC), less the Administrative salaries and wages, General Support salaries and wages, and all other DA items, and multiplying the result by the 3.6% Faculty Administrative Allowance (FAA). The salary and wage portion of F&P is then calculated by dividing the FAA by one plus the academic employee benefit rate. The resulting amount of Faculty and Professional salaries and wages is then transferred from the general operating fund to the DA cost pool.

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**Employee Benefits and Other Operating Supplies and Expense**

The final two components, Employee Benefits and Other Operating Supplies and Expense are determined by taking a pro-rated share of each. Benefits are determined by applying the department benefit rate to salaries that were reclassified to the DA pool. Other Operating Supplies and Expense are determined by using a separate pro-ration method based on the ratio of non-sponsored DA salaries to total non-sponsored salaries. This ratio is then applied to non-sponsored other supplies and expense to arrive at DA Other Supplies and Expense.

The following cost groups receive an allocation from the Departmental Administration cost pool: Instruction, Organized Research, Library, Student Administration and Services, Sponsored Project Administration, Other Sponsored Activities, and Other Institutional Activities.

**V. Sponsored Projects Administration**

The staff of the areas involved in sponsored projects administration is devoted to the administration of sponsored research. Therefore, it is reasonable to conclude that the MTDC of the entire volume of sponsored activities is the base over which the costs of this pool should be allocated. MTDC for this purpose, consists of the same cost elements as the allocation base for General Administration and General Expenses and Departmental Administration. The costs in this pool are allocated to the major functions under which the sponsored projects are conducted.

The following functions receive an allocation from the Sponsored Projects Administration cost pool: Instruction, Organized Research, Other Sponsored Activities, and Other Institutional Activities.

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**VI. Library**

The expenditures in the library cost pool are first allocated to students and faculty/professionals on a full-time equivalent (FTE) basis. West Virginia University uses the standard calculation for student FTE as set by the West Virginia State College and University Systems Central Office. The student FTE is a statistic derived from the student credit hour output of an institution. The undergraduate FTE and the first professional FTE (for Law and Pharmacy students only) are both derived by dividing the total number of undergraduate and first professional student credit hours taken per semester by 15. The graduate FTE is derived by dividing the total number of graduate credit hours taken per semester by 12. The medical FTE is the same as the headcount enrollment. These four FTE's comprise the total student FTE.

The amount allocated to students is assigned to instruction. The amount allocated to the faculty/professional employees is assigned to the major functions of the University according to the salaries and wages distribution. Any expenses that are allocated to other users are assigned to the Other Institutional Activities function of the University.

The following functions receive an allocation from the Library cost pool: Instruction, Organized Research, Other Sponsored Activities, and Other Institutional Activities.

**VII. Student Administration and Services**

The Student Administration and Services cost pool is allocated entirely to the Instruction function in accordance with Circular A-21.

**VIII. Facilities and Administrative Rate Calculation**

West Virginia University calculates a Facilities and Administrative Rate for Organized Research, Instruction, and Other Sponsored Activities. F & A cost pools are summarized, and on- and off- campus rates are calculated. Off-Campus, as defined by West Virginia University, is for all activities that are performed in facilities not owned by the University and to which the rent is paid directly from a project. Only General Administration and General Expense, Sponsored Project Administration, and Department Administration F & A costs are allocated to off-campus. Each F & A cost pool is divided by the MTDC base to determine the percentage of the overall rate. For example, the F & A costs allocated to Research are divided by the MTDC of Research to calculate the research rate.

-End of Part III-

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ALLOWANCES**

West Virginia University

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No.

Item description

**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 (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.)

<u>Asset Category</u>	<u>Depreciation Method</u> (1)	<u>Useful Life</u> (2)	<u>Property Unit</u> (3)	<u>Residual Value</u> (4)
(a) Land Improvements	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>
(b) Buildings	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>
(c) Building Improvements	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>
(d) Leasehold Improvements	<u>Z</u>			
(e) Equipment	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>
(f) Furniture and Fixtures	<u>A</u>	<u>C</u>	<u>A</u>	<u>B</u>
(g) Automobiles and Trucks	<u>A</u>	<u>C</u>	<u>A</u>	<u>A</u>
(h) Tools	<u>Z</u>			
(i) Enter Code Y on this line if other asset categories	<u>Z</u>			

are used and enumerate on a continuation sheet each such asset category and the applicable codes. (Otherwise enter Code Z.)

**Column (1)–Depreciation Method Code**

- A. Straight Line
- B. Expensed at Acquisition
- C. Use Allowance
- 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 lives
  - C. Applied to groups of assets with varying service lives
  - Y. Other or more than one method 1/
- 1/ Describe on a Continuation Sheet.

**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 (4)–Residual Value Code**

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

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Item No.	Item description						
4.1.1	<p><b>Asset Valuations and Useful Lives.</b> Are the asset valuations and useful lives used in your indirect cost proposal consistent with those used in the institution's financial statements? (Mark one.)</p> <p>A.    <u>  X  </u> Yes            B.    <u>      </u> No <u>1/</u></p>						
4.2.0	<p><b>Fully Depreciated Assets.</b> Is a usage charge for fully depreciated assets charged to Federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.)</p> <p>A.    <u>      </u> Yes            B.    <u>  X  </u> No</p>						
4.3.0	<p><b>Treatment of Gains and Losses on Disposition of Depreciable Property.</b> Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A.    <u>      </u> Excluded from determination of sponsored agreement costs            B.    <u>      </u> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged            C.    <u>  X  </u> Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved            D.    <u>  X  </u> Not accounted for separately, but reflected in the depreciation reserve account            Y.    <u>      </u> Other(s) <u>1/</u>            Z.    <u>      </u> Not applicable</p>						
4.4.0	<p><b>Criteria for Capitalization.</b> (Enter (a) the minimum dollar amount of expenditures which are capitalized for acquisition, addition, alteration, donation and improvement of capital assets, and (b) the minimum number of expected life years of assets which are capitalized. If more than one dollar amount or number applies, show the information for the majority of your capitalized assets, and enumerate on a continuation sheet the dollar amounts and/or number of years for each category or subcategory of assets involved which differs from those for the majority of assets.)</p> <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td align="center"><u>EQUIPMENT</u></td> </tr> <tr> <td>A. Minimum Dollar Amount</td> <td align="right">\$5,000.00</td> </tr> <tr> <td>B. Minimum Life Years</td> <td align="right">1 yr.</td> </tr> </table>		<u>EQUIPMENT</u>	A. Minimum Dollar Amount	\$5,000.00	B. Minimum Life Years	1 yr.
	<u>EQUIPMENT</u>						
A. Minimum Dollar Amount	\$5,000.00						
B. Minimum Life Years	1 yr.						
4.5.0	<p><b>Group or Mass Purchase.</b> Are group or mass purchases (initial complement) of similar items, which individually are less than the capitalization amount indicated above, capitalized? (Mark one.)</p> <p>A.    <u>      </u> Yes <u>1/</u>            B.    <u>  N  </u> No</p> <p><u>1/</u> Describe on a Continuation Sheet.</p>						

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**Continuation Sheet Part IV – Depreciation and  
Use Allowances**

**West Virginia University**

**Item  
No.**

**Item description**

**PART IV - DEPRECIATION AND USE ALLOWANCES**

4.1.1

**Asset Valuations and Useful Lives**

Yes. The financial statements report assets at cost which is the same basis for calculating depreciation in the F & A cost proposal. The useful lives used in the F & A cost proposal are the same as those used on the Financial Statements.

4.3.0

**Treatment of Gains and Losses on Disposition of Depreciable Property**

(c) When trade-ins occur, any gains or losses are taken into consideration when determining the cost basis of the new item.

(d) Gains and losses are not recorded separately by asset. Total losses (netted by the gains) are recognized on the financial statements. When an asset is disposed of before it is fully depreciated, the accumulated depreciation account is debited for the amount that had been previously depreciated and the loss is recognized on the financial statements.

4.4.0

**Criteria for Capitalization**

	<u>EQUIPMENT</u>	<u>BUILDINGS</u>	<u>LAND</u>
A. Minimum \$ Amount	\$5,000	\$25,000	\$0.00
B. Minimum Life Yrs.	1 yr.		N/A

-End of Part IV-

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PART V - OTHER COSTS AND CREDITS**

West Virginia University

Item No.	Item description
	<b>Part V</b>
5.1.0 <u>Revised</u>	<p><b><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))</b></p> <p>A.    <u>  X  </u>       Cash</p> <p>B.    <u>  X  </u>       Accrual <u>  1/  </u></p>
5.2.0	<p><b><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.)</b></p> <p>A.    _____       The credits/receipts are offset against the specific direct or indirect costs to which they relate.</p> <p>B.    _____       The credits/receipts are handled as a general adjustment to the indirect pool.</p> <p>C.    _____       The credits/receipts are treated as income and are not offset against costs.</p> <p>D.    <u>  X  </u>       Combination of methods <u>  1/  </u></p> <p>Y.    _____       Other <u>  1/  </u></p>
	<u>  1/  </u> Describe on a Continuation Sheet.
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**Continuation Sheet Part V – Other Costs and  
Credits**

**West Virginia University**

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No.**

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**PART V - OTHER COSTS AND CREDITS**

5.1.0  
revised

**Method of Charging Leave Costs**

WVU now includes terminated annual leave payouts in the fringe benefits rates.

5.2.0

**Applicable Credits**

D. Combination of methods. Purchase discounts, rebates, or allowances are taken at the time of payment to offset the specific direct or indirect costs to which they relate.

Certain types of income are appropriately treated as an applicable credit for F & A cost computations. In such circumstances, a general adjustment is made to the appropriate F & A cost pool. Other applicable credits, such as insurance refunds, are credited back to the specific expenditures to which the credit relates.

-End of Part V-



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PART VI - DEFERRED COMPENSATION AND  
INSURANCE COSTS**

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**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, 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)

**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

Number of Plans

A.  Institution employees participate in State/Local Government Retirement Plan(s) \_\_\_\_\_

B.  Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution 2

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.)**

1/ Describe on a Continuation Sheet.

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Item No.	Item description
6.2.0	<p><b><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.)</b></p> <p>Z. <input type="checkbox"/> Not Applicable</p>
6.2.1	<p><b>Determination of Annual PRB Costs.</b> (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.)</p>
6.3.0	<p><b><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.)</b></p> <p>A. <input type="checkbox"/> When accrued (book accrual only)            B. <input type="checkbox"/> When contributions are made to a nonforfeitable fund            C. <input type="checkbox"/> When contributions are made to a forfeitable fund            D. <input type="checkbox"/> When the benefits are paid to an employee            E. <input type="checkbox"/> When amounts are paid to an employee welfare plan            Y. <input checked="" type="checkbox"/> Other or more than one method <u>1/</u>            Z. <input type="checkbox"/> Not Applicable</p>
6.4.0	<p><b><u>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance.)</u></b></p>
6.4.1	<p><b>Worker's Compensation and Liability.</b> Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)</p> <p>A. <input type="checkbox"/> When claims are paid or losses are incurred (no provision for reserves)            B. <input type="checkbox"/> When provisions for reserves are recorded based on the present value of the liability            C. <input type="checkbox"/> When provisions for reserves are recorded based on the full or undiscounted value, as contrasted with present value, of the liability            D. <input type="checkbox"/> When funds are set aside or contributions are made to a fund            Y. <input checked="" type="checkbox"/> Other or more than one method <u>1/</u>            Z. <input type="checkbox"/> Not Applicable</p>
<p><u>1/</u> Describe on a Continuation Sheet.</p>	

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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.  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.

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Continuation Sheet Part VI – Deferred  
Compensation and Insurance

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**PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS**

Substantially all eligible employees of West Virginia University participate in either the West Virginia State Teachers Retirement System (STRS) or the Teachers Insurance and Annuities Association - College Retirement Equities Fund (TIAA-CREF). As of January 1, 2003, higher education employees enrolled in the 401(a) retirement plan with TIAA-CREF have an option to switch to the Educators Money 401(a) basic retirement plan. New hires have the choice of either plan. Previously, upon full-time employment, all employees were required to make an irrevocable election between the STRS and TIAA-CREF. Effective July 1, 1991, the STRS was closed to new participants. Current participants in the STRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by University employees have not been significant to date.

All West Virginia University Research Corporation full-time employees participate in a defined contribution pension plan with the Teachers Insurance and Annuities Association – College Retirement Equities Fund (TIAA-CREF).

**Defined-Contribution Pension Plans**

6.1.1

1) West Virginia University

The TIAA-CREF and Great-West are defined-contribution benefit plans in which benefits are based upon amounts contributed plus investment earnings. Each employee who elects to participate in these plans is required to make a contribution equal to 3 - 6% of their total annual compensation. The University simultaneously matches the employees' 3 - 6% contribution. Contributions are immediately and fully vested.

Retirement benefits are charged to federally sponsored agreements or similar cost objectives through the use of the federally negotiated fringe benefit rates.

2) West Virginia University Research Corporation

The TIAA-CREF defined contribution plan benefits are based upon the amount contributed plus investment earnings. Each participating employee is required to make a contribution equal to 3% of their total annual compensation. In addition, participants may elect to contribute an additional amount, in whole percentages, equal to one-to-three percent of their total annual compensation. This provides employees the opportunity to invest 3-6% of their gross wages toward their retirement; the WVURC matches these funds.

Retirement benefits are charged to federally sponsored agreements or similar cost objectives through the use of the federally negotiated fringe benefit rates.

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6.1.2

**Defined-Benefit Pension Plan**

The STRS is a cost-sharing, defined benefit public employee retirement system. Employer and employee contribution rates are established annually by the State Legislature. Participants in the STRS may retire with full benefits upon reaching age 60 with 5 years of service, age 55 with 30 years of service or any age with 35 years of service. Lump sum withdrawal of employee contributions is available upon termination of employment. Pension benefits are based upon 2% of final average salary (the highest 5 years of salary out of the last 15) multiplied by the number of years of service.

The contribution rate is set by the State Legislature on an overall basis and the STRS does not perform a calculation of the contribution requirement for individual employers, such as the University.

Retirement benefits are charged to federally sponsored agreements or similar cost objectives through the use of the federally negotiated fringe benefit rates.

6.2.0

**Post Retirement Benefits Other Than Pensions**

Employees are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extends health insurance for one month of single coverage and three days extends health insurance for one month of family coverage. For employees hired after 1988, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired on or after July 1, 2001 will no longer receive sick leave credit toward insurance premiums when they retire.

Certain faculty employees (generally those contracted with on a less than full-time basis) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3-1/3 years of teaching service extends health insurance for one year of single coverage and 5 years extends health insurance for one year of family coverage.

Effective April 4, 2003, the University adopted the Classified Staff Severance Plan (the "Severance Plan") to provide incentives for the voluntary severance of the University's classified staff. During the period from April 22 to June 17, 2003, full time benefits eligible classified staff who had fifteen or more years of full time active service with the University as of June 30, 2003 were eligible to elect to participate in the Severance Plan. Participants could elect an exit date for the Severance Plan of either June 30, 2003 or January 15, 2004. Participants electing the June 30, 2003 exit date will receive 100% of their fiscal year 2003 base salary not to exceed \$45,000. Participants electing the January 15, 2004 exit date will receive their fiscal year 2003 base salary less \$5,000 not to exceed \$40,000. The total payment for either exit date will be divided into 96 equal consecutive monthly payments. If the employee is over age 59 at the time his or her payments begin, the number of monthly installments are reduced so that all payments will be completed prior to the employee's 67<sup>th</sup> birthday. Any employee age 66 or older at the time his or her benefits begin will receive his or her payment in a lump sum.

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6.2.1

The cost of this plan is charged to University accounts and will be included in the appropriate F&A cost pools. None of the costs have been charged to federally sponsored agreements.

There is no post retirement benefit other than pension for the West Virginia University Research Corporation employees.

**Determination of Annual PRB Costs**

Post retirement health benefits (as discussed in 6.2.0) are expensed to the grant fringe benefit pool on a cash basis. The expenditures in the grant fringe benefit pool and other central fringe pools are used to determine the fringe benefit rates that are negotiated with West Virginia University's federal cognizant agency. Fringe benefits are charged to sponsored agreements by applying this rate to direct salaries paid from sponsored funding.

None of the Severance Plan costs are charged to federally sponsored agreements.

6.3.0

**6.3.0 Self-Insurance Programs (Employee Group Insurance)**

Y. Other or more than one method. Through the West Virginia Public Employees Insurance Agency (PEIA), the University offers an indemnity health plan, several managed care health plan options and a life insurance plan to full-time benefit eligible employees. PEIA health plans provide coverage for the employee and their eligible dependents. The indemnity health plan and the managed care health plans are both comprehensive medical plans. The benefits include hospital services, medical services, surgery, durable medical equipment and supplies and prescription drugs. WVU offers other insurance benefits such as life insurance and a flexible benefits plan.

Employee group insurance is charged to sponsored agreements by application of the fringe benefit rate. Charges to the grant fringe benefit pool are based on the cash method (as explained in 6.2.1).

The West Virginia University Research Corporation does not have any self-insurance programs.

6.4.1

**Workers' Compensation and Liability**

Y. Other or more than one method. All employees are covered by Workers' Compensation for job-incurred injury, death or occupational disease. Workers' Compensation costs are charged to sponsored agreements via the fringe benefit rate.

The WV State Board of Risk and Insurance Management (BRIM) provides general, property and casualty, and medical malpractice liability coverage to the University and its employees, including those physicians

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6.4.2	<p>employed by the University and related to the University's academic medical center hospital. Such coverage may be provided to the University by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience related premiums or adjustments to BRIM.</p> <p>Liability insurance costs incurred by the University are billed out to non-sponsored departmental accounts based on the FTE count of the department. These costs reside in the indirect cost pools assigned to the activity of that department.</p> <p>This liability coverage is charged to federally sponsored agreements through the Facilities and Administrative Rate (except for medical malpractice liability coverage which is not included in any indirect cost pool). Where liability insurance above the normal general liability coverage is required by unique circumstances, the cost is charged directly to the activity.</p> <p><b>Casualty Insurance</b></p> <p>Other or more than one method. As discussed in 6.4.1, the University acquires casualty insurance through the WV State Board of Risk and Insurance Management (BRIM). Automobile insurance costs are billed out to the departments that own the vehicles and are included in the indirect cost pool assigned to the activity of that department. Auxiliary units pay property insurance attributable to their activities and the remaining amounts are paid by central accounts within the General Administrative pool. Casualty insurance is charged to federally sponsored agreements via the facilities and administrative rate. Casualty insurance acquired for unique circumstances is charged directly to the activity.</p> <p align="center">-End of Part VI-</p> <p align="center">VI-7</p>

West Virginia University

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**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**  
Revised

**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**  
Revised

**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 benefitting 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 prorata or allocation basis and the basis of such charges. If none, so state.



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

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08/21/2009

Continuation Sheet Part VII – Central System  
or Group Expenses

West Virginia University

**Item  
No.**

**Item description**

7.1.0  
revised

**PART VII - CENTRAL SYSTEM OR GROUP EXPENSES**

**Organizational Structure.**

West Virginia University (the "University") is governed by the West Virginia University Board of Governors (the "Board"). The Board was established by Senate Bill 653.

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise and manage the financial, business and educational policies and affairs of the institution(s) under its jurisdiction, the duty to develop a master plan for the institution, the power to prescribe the specific functions and institution's budget request, the duty to review at least every five years all academic programs offered at the institution, and the power to fix tuition and other fees for the different classes or categories of students enrolled at its institution.

The Board governs WVU which is comprised of West Virginia University - Main Campus and its two regional campuses, West Virginia University Institute of Technology and Potomac State College.

The West Virginia Higher Education Policy Commission (the "Commission"), is responsible for developing, gaining consensus around and overseeing the implementation and development of higher education public policy agenda in the states four year colleges and universities. The Commission is responsible for West Virginia University - Main Campus and West Virginia University Institute of Technology.

The University is an operating unit of the West Virginia Higher Education Fund and represents separate funds of the State that are not included in the State's general fund. The University is a separate entity, which, along with all State institutions of higher education, the Commission, the West Virginia Network for Educational Telecomputing (WVNET), and the West Virginia Council for Community and Technical College Education form the Higher Education Fund of the State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State's comprehensive annual financial report.

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

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Continuation Sheet Part VII – Central System  
or Group Expenses

**West Virginia University**

**Item  
No.**

**Item description**

7.2.0  
Revised

**Cost Accumulation and Allocation.**

- A. The Commission provides general oversight of the University.
- B. All costs associated with the Commission, the Commission's support staff, and other related operating costs of the Commission are accumulated in accounts that are separately identified and managed by the Commission's staff. As such, West Virginia University's financial accounting system does not include any costs associated with maintaining or operating the Commission and its related costs.  
  
This total fixed costs for West Virginia University as reported in the WV Statewide Cost Allocation Plan for the total central system and state administrative expenses is added to the facilities and administrative costs for West Virginia University.
- C. The state administration expenditures are placed in the General Administration and General Expense cost pool and allocated to the benefiting functions on the modified total direct cost basis
- D. None
- E. None

-End of Part VII-