
2108 COST ACCOUNTING STANDARDS (CAS)

Effective: August 1998
Last Revision: December 2014
Last Reviewed: April 2016
Resp. Office: Research Services
Approval: Research Services

PURPOSE:

To ensure compliance with the Federal Cost Accounting Standards applicable to educational institutions, as follows:

1. CAS 501: Consistency in Estimating, Accumulating and Reporting Costs.
2. CAS 502: Consistency in Allocating Costs Incurred for the Same Purpose.
3. CAS 505: Accounting for Unallowable Costs.
4. CAS 506: Cost Accounting Period.

POLICY:

1. Principal Investigators must ensure compliance with CAS 501 by maintaining consistency in the manner in which budgets are prepared for proposal submission and funds are budgeted and expenses accounted for after awards are received.
2. Costs incurred for the same purpose, in like circumstances, must be given consistent treatment in the accounting system in order to comply with CAS 502. That is, each type of cost must be charged consistently as either a direct cost or as part of the F&A rate costs (unrestricted fund).
3. Unallowable costs must be identified and excluded from any billing, claim, or proposal submitted to the Federal government
4. Rates (e.g., service center, F&A) used for estimating, accumulating, and reporting costs must be based on the costs incurred during the University fiscal year.
5. Research Services is responsible for determining the appropriate treatment of costs and for the maintenance of the CAS Disclosure Statement.

ROLES AND RESPONSIBILITIES:

PRINCIPAL INVESTIGATOR

- Ensures compliance when budgets are prepared and expenditures are incurred

- **Reviews sponsored project financial statements with Business Administrators**

BUSINESS ADMINISTRATORS

- **Reviews sponsored project financial statements monthly with Principal Investigator**
- **Ensures that unallowable costs are excluded from billing, claim or proposal submitted to federal government**
- **Prepares correcting entries, as necessary to properly account for unallowable costs, including appropriate documentation of the corrections**

RESEARCH SERVICES

- **Provides guidance in determining the appropriate treatment of costs**
- **Maintains Disclosure Statement**
- **Prepares rate agreements**
- **Provides guidance on allowability of costs**
- **Performs desk review of unallowable costs on sponsored projects**
- **Communicates with business administrators to resolve unallowable costs**

The source of this document is Research Services.

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OFFICE OF RESEARCH SERVICES

- Provides guidance in determining the appropriate treatment of costs
- Maintains Disclosure Statement
- Prepares rate agreements
- Provides guidance on allowability of costs
- Performs desk review of unallowable costs on sponsored projects
- Communicates with business administrators to resolve unallowable costs