

May 17, 2005

Mr. William Logan, Director
Division of Cost Allocation
Department of Health and Human Services
Cohen Building Room 1067
330 Independence Avenue, S.W.
Washington, D.C. 20201

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Dr. Mr. Logan:

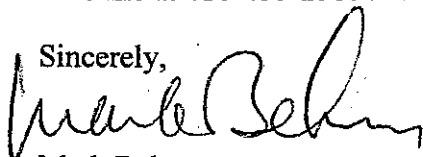
Enclosed is the revised Disclosure Statement (CASB Form DS-2) for the University of Maryland, Baltimore County (UMBC). This is Revision Number Two for the Disclosure Statement originally submitted by UMBC with an effective date of October 1, 2004.

Revision Number Two is effective as of March 31, 2005 and reflects changes in response to correspondence received from Acting Director Aaronson, dated March 25, 2005, on the findings of the adequacy and compliance reviews conducted by the Defense Contract Audit Agency, Report Numbers 06171-2005U19100002 and 6171-2005U19100006. The revisions represent those clarifications requested in the reports. The following pages and items are affected by the revisions:

Page Number	Item Number	Item Description
3	1.3.0	Unallowable Costs (Continuation Sheet)
4	1.3.1	Treatment of Unallowable Costs (Continuation Sheet)
20	3.5.0	Composition of Allocation Bases (Continuation Sheet)

If you have any questions concerning Revision Number Two (2) or our Disclosure Statement, please address them to Mr. Tom Vogler, 410-455-1720 (tvogler@umbc.edu), or to me at 410-455-2939.

Sincerely,



Mark Behm
Vice President for
Administration and Finance

Enc.

cc: Janice Schwartz
Bob Preston
Scott Bass

Disclosure Statement (DS-2)

UNIVERSITY OF MARYLAND, BALTIMORE COUNTY

UMBC

**REVISION NUMBER 2
EFFECTIVE DATE 3/31/2005**

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		INDEX
UNIVERSITY OF MARYLAND, BALTIMORE COUNTY (UMBC)		
GENERAL INSTRUCTIONS -- Continuation Sheet		(i)
COVER SHEET AND CERTIFICATION.....		C-1
PART I	General Information	1
PART II	Direct Costs.....	5
PART III	Indirect Costs	12
PART IV	Depreciation and Use Allowances	21
PART V	Other Costs and Credits	24
PART VI	Deferred Compensation and Insurance Costs	25
PART VII	Central System or Group Expenses.....	28

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

GENERAL INSTRUCTIONS

1. This Disclosure Statement has been designed to meet the requirements of Public Law 100-679, and persons completing it are to describe the Educational institution and its cost accounting practices. For complete regulations, instructions and timing requirements concerning submission of the Disclosure Statement, refer to Section 9903.202 of Chapter 99 of Title 48 CFR (48 CFR 9903).
2. Part I of the Statement provides general information concerning each reporting unit (e.g., segments, business units, and central system or group (intermediate administration) offices). Parts II through VI pertain to the types of costs generally incurred by the segment or business unit directly performing under Federally sponsored agreements (e.g., contracts, grants and cooperative agreements). Part VII pertains to the types of costs that are generally incurred by a Central or Group office and are allocated to one or more segments performing under Federally sponsored agreements.
3. Each segment or business unit required to disclose its cost accounting practices should complete the Cover Sheet, the Certification, and Parts I through VI.
4. Each central or group office required to disclose its cost accounting practices for measuring, assigning and allocating its costs to segments performing under Federally sponsored agreements should complete the Cover Sheet, the Certification, Part I and Part VII of the Disclosure Statement. Where a central or group office incurs the types of cost covered by Parts IV, V and VI, and the cost amounts allocated to segments performing under Federally sponsored agreements are material, such office(s) should complete Parts IV, V, or VI for such material elements of cost. While a central or group office may have more than one reporting unit submitting Disclosure Statements, only one Statement needs to be submitted to cover the central or group office operations.
5. The Statement must be signed by an authorized signatory of the reporting unit.
6. The Disclosure Statement should be answered by marking the appropriate line or inserting the applicable letter code which describes the segment's (reporting unit's) cost accounting practices.
7. A number of questions in this Statement may need narrative answers requiring more space than is provided. In such instances, the reporting unit should use the attached continuation sheet provided. The continuation sheet may be reproduced locally as needed. The number of the question involved should be indicated and the same coding required to answer the questions in the Statement should be used in presenting the answer on the continuation sheet. Continuation sheets should be inserted at the end of the pertinent Part of the Statement. On each continuation sheet, the reporting unit should enter the next sequential page number for that Part and, on the last continuation sheet used, the words "End of Part" should be inserted after the last entry.
8. Where the cost accounting practice being disclosed is clearly set forth in the institution's existing written accounting policies and procedures, such documents may be cited on a continuation sheet and incorporated by reference to the pertinent Disclosure Statement Part. In such cases, the reporting unit should provide the date of issuance and effective date for each accounting policy and/or procedures document cited. Any supplementary comments needed to fully describe the cost accounting practice being disclosed should also be provided.
9. Disclosure Statements must be amended when disclosed practices are changed to comply with a new CAS or when practices are changed with or without agreement to the Government (Also see 48 CFR 9903.202-3).
10. Amendments shall be submitted to the same offices to which submission would have to be made were an original Disclosure Statement being filed.

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

GENERAL INSTRUCTIONS

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	COVER SHEET AND CERTIFICATION Revision Number 2 Effective Date 3/31/2005
	<p>Educational Institution</p> <p>(a) Name: University of Maryland, Baltimore County (UMBC)</p> <p>(b) Street Address: 1000 Hilltop Circle</p> <p>(c) City, State and ZIP Code: Baltimore, MD 21250</p> <p>(d) Division or Campus of (if applicable) Baltimore County</p> <p>Reporting Unit is: (Mark one.)</p> <p>A. _____ Independently Administered Public Institution</p> <p>B. _____ Independently Administered Nonprofit Institution</p> <p>C. <u> X </u> Administered as Part of a Public System</p> <p>D. _____ Administered as Part of a Nonprofit System</p> <p>E. _____ Other (Specify) _____</p> <p>Official to Contact Concerning this Statement:</p> <p>(a) Name and Title: Thomas Vogler, Assistant Vice President</p> <p>(b) Phone Number: 410-455-1720</p> <p>Statement Type and Effective Date:</p> <p>A. (Mark type of submission. If a revision, enter number)</p> <p>(a) _____ Original Statement</p> <p>(b) <u> X </u> Amended Statement; Revision No. <u> 2 </u></p> <p>B. Effective Date of this Statement: (Specify) March <u> 31 </u>, <u> 2005 </u></p> <p>Statement Submitted To (Provide office name, location and telephone number, include area code and extension):</p> <p>A. Cognizant Federal Agency:</p> <p>Department of Health and Human Services Division of Cost Allocation 330 Independence Ave. SW Cohen Bldg. , Room 1067 Washington, D.C. 20201</p> <p>B. Cognizant Federal Auditor:</p> <p>Department of Health and Human Services, Region III OIG Office of Audit Services P.O. Box 13716, Mail Stop 9 Philadelphia, PA 19101</p>

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

**COVER SHEET AND CERTIFICATION
Revision Number 2 Effective Date 3/31/2005**

REVISED
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: _____

(Signature)

Mr. Mark Behm

(Print or Type Name)

Vice President for Administration and Finance, UMBC

(Title)

THE PENALTY FOR MAKING A FALSE STATEMENT IN THIS DISCLOSURE IS PRESCRIBED IN
18 U.S.C. § 1001

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
	Part I	
1.1.0	<p><u>Description of Your Cost Accounting System</u> for recording expenses charged to Federally sponsored agreements (e.g., contracts, grants and cooperative agreements). (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. _____ Accrual</p> <p>B. <u> X </u> Modified Accrual Basis¹</p> <p>C. <u> X </u> Cash Basis</p> <p>Y. _____ Other¹</p>	
1.2.0	<p><u>Integration of Cost Accounting with Financial Accounting.</u> The cost accounting system is: (Mark one. If B or C is marked, describe on a continuation sheet the costs which are accumulated on memorandum records.)</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>	
1.3.0	<p><u>Unallowable Costs.</u> 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.¹</p> <p>B. _____ Identified in separately maintained accounting records or workpapers.¹</p> <p>C. _____ Identifiable through use of less formal accounting techniques that permit audit verification.¹</p> <p>D. <u> X </u> Combination of A, B or C¹</p> <p>E. _____ Determinable by other means.¹</p>	
1.3.1	<p><u>Treatment of Unallowable Costs.</u> (Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group office allocates costs to a segment.)</p>	

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
1.4.0	<u>Cost Accounting Period:</u> 7/1 to 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	<u>State Laws or Regulations.</u> 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.	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
1.1.0 Revised 7/1/03	<u>Description of Cost Accounting System (Revised Effective 7/1/2003)</u>	
	<p>The University of Maryland, Baltimore County's cost accounting system incorporates data accumulated and recorded in the financial accounting system (FAS). The University employs a modified accrual basis of accounting for charges to Federally sponsored agreements. Expenses are charged to sponsored agreements using a cash basis as expenditures are made. Vacation leave is accrued at fiscal year end but is not charged directly to Federally sponsored agreements until the vacation is taken. Expenses for goods and services post to sponsored agreements on a cash basis when the Accounts Payable Office vouchers vendor invoices for payment. The vendor payments are usually made by checks, which are written by the General Accounting Division of the State of Maryland after vouching the vendor invoice at UMBC. When the financial records are closed at fiscal year end, payables related to regular purchase orders are accrued in the University's financial accounting system (FAS), including some Federal sponsored project accounts. Accruals made specific to the University's financial statements generally are not posted directly to the sponsored project accounts in the accounting system.</p> <p>The financial records of the University are governed by the Government Accounting Standards Board (GASB) with implementation instructions from the National Association of College and University Business Officers (NACUBO) in conformance with Generally Accepted Accounting Principles (GAAP).</p> <p>Effective for fiscal years beginning after June 15, 2001 the University adopted external, general purpose financial reporting as required under GASB Statements 34 and 35 for Business Type Activities. These standards require that financial position be displayed by net assets under the following categories, unrestricted, restricted (expendable and non-expendable), and invested in capital assets, net of related debt.</p> <p>The University, however, maintains financial transactions within separate funds and that similar funds be categorized into fund groups for management and State reporting purposes. The fund groups are current funds unrestricted (consisting of educational, general, and auxiliary enterprise funds), current funds restricted, loan funds, agency funds, endowment and similar funds, plant funds and component unit funds (research park). This practice is acceptable under GASB.</p>	
1.2.0	<u>Integration of Cost Accounting with Financial Accounting</u>	
	<p>The cost accounting system is integrated with the financial accounting system except for Depreciation and Departmental Administration (DA). Depreciation is not integrated with financial accounting system records. Depreciation is taken on buildings and all capital equipment, except equipment purchased with Federal funds. Departmental Administration costs are those that have been incurred for administrative and supporting services that benefit common or joint departmental activities. The University records departmental administrative costs in units such as the Graduate School, academic dean's office, academic departments, and organized research units. See part III, Item No. 3.1.0 (d). State and Central University administrative Costs are determined and allocated to each campus of the University System of Maryland (USM) by the University System of Maryland Office (USMO). These costs are added to the costs accumulated in the accounting system. See part III, Item No. 3.1.0 (c).</p>	
1.3.0	<u>Unallowable Costs (Revised Effective 3/31/2005)</u>	
Revised 3/31/05	<p>The treatment of unallowable costs incurred at the University is consistent for each allocation base and indirect cost expense pool. University policy requires the identification of unallowable costs for proper costing treatment. Unallowable costs fall into two categories; 1) those costs unallowable in and of themselves such as entertainment or lobbying; 2) costs related to activities that are unallowable such as alumni activity or public relations. Unallowable costs are identified by two methods. One, the formal accounting systems chart of account attributes (object of expenditure, department, program, etc.) is used to classify transactions accordingly as allowable and unallowable. Two, through adhoc and periodic review, reporting and query techniques to detect costs that are unallowable due to caps (i.e. NIH salary cap), misclassification (i.e. invalid payments) and other tolerance levels. All costs identified as unallowable for federal reimbursement are excluded from the indirect cost proposal as being unallowable costs. Any areas/departments/accounts identified as being solely or almost solely used for an unallowable activity are identified and moved to Other Institutional Activities. In this way these activities,</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
1.30	<u>Unallowable Costs(Revised Effective 3/31/2005) (continued from page 3)</u>	
Revised 3/31/05	<p>which are legitimate for University purposes, are not included in the organized research base and still draw their share of general administrative and other costs. University policy specifically identifies costs that are designated as unallowable by OMB Circular A-21.</p>	
1.3.1	<u>Treatment of Unallowable Costs (Revised Effective 3/31/2005)</u>	
Revised 3/31/05	<p>Treatment of unallowable costs fall into three primary categories; costs unallowable by University of Maryland, Baltimore County (UMBC); costs allowable by UMBC but not for federal reimbursement; and costs allowable by UMBC but unallowable by the sponsor. Those costs unallowable by UMBC must be fully reimbursed/paid for by the individual who incurred the cost. Those costs allowable by UMBC but are unallowable for federal reimbursement are recorded as such and included in the Other Institutional Activities allocation base of the indirect cost proposal. Those costs that do not conform to sponsor terms and conditions are excluded from the direct costs to the applicable sponsor and recorded as appropriate to other cost pools.</p>	
1.5.0	<u>State Laws or Regulations.</u>	
	<p>The University of Maryland, Baltimore County is a subset of the University System of Maryland (USM), which is a body corporate, and an agency of the State of Maryland. The campus is subject to all Maryland laws and regulations listed in the <u>Annotated Code of Maryland</u> and the <u>Code of Maryland Regulations</u> (COMAR). University employees participate in the pension or retirement plans established and administered by the State of Maryland and optional retirement plans such as TIAA/CREF (see 6.1.1).</p>	
	End of Part I	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
	<p align="center">Part II</p> <p>Instructions for Part II Institutions should disclose what costs are, or will be, charged directly to Federally sponsored agreements or similar cost objectives as Direct Costs. It is expected that the disclosed cost accounting practices (as defined at 48 CFR 9903.302-1) for classifying costs either as direct costs or indirect costs will be consistently applied to all costs incurred by the reporting unit.</p>	
2.1.0	<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.)	
2.2.0	<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.)	
2.3.0	<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.)	
2.3.1	Direct Purchases for Projects are Charged to Projects at:	
	A. _____ Actual Invoiced Costs B. <u> X </u> Actual Invoiced Costs Net of Discounts Taken Y. _____ Other(s) ² Z. _____ Not Applicable	
2.3.2	Inventory Requisitions from Central or Common, Institution-owned Inventory. (Identify the inventory valuation method used to charge projects):	
	A. _____ First In, First Out B. _____ Last In, First Out C. _____ Average Costs ¹ D. _____ Predetermined Costs ¹ Y. _____ Other(s) ¹ Z. <u> X </u> Not Applicable	

FORM CASB DS-2 (REV 10/94)

² Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS UMBC																																		
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005																																			
2.4.0	<p><u>Description of Direct Personal Services.</u> All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal services costs within each major institutional function or activity that are charged as direct personal services.)</p>																																			
2.5.0	<p><u>Method of Charging Direct Salaries and Wages.</u> (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="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Faculty (1)</th> <th colspan="3">Direct Personal Services Category</th> </tr> <tr> <th>Staff (2)</th> <th>Students (3)</th> <th>Other¹ (4)</th> </tr> </thead> <tbody> <tr> <td>A. Payroll Distribution Method (Individual time card/actual hours and rates)</td> <td>_____</td> <td><u>X</u></td> <td><u>X</u></td> <td>_____</td> </tr> <tr> <td>B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>C. After-the-fact Activity Records (Percentage Distribution of employee activity)</td> <td><u>X</u></td> <td><u>X</u></td> <td>_____</td> <td>_____</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>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Y. Other(s)³</td> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>				Faculty (1)	Direct Personal Services Category			Staff (2)	Students (3)	Other ¹ (4)	A. Payroll Distribution Method (Individual time card/actual hours and rates)	_____	<u>X</u>	<u>X</u>	_____	B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)	_____	_____	_____	_____	C. After-the-fact Activity Records (Percentage Distribution of employee activity)	<u>X</u>	<u>X</u>	_____	_____	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) ³	_____	_____	_____	_____
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Y. Other(s) ³	_____	_____	_____	_____																																
2.5.1	<p>Salary and Wage Cost Distribution Systems.</p> <p>Within each major function or activity, are the methods marked in Item 2.5.0 used by all employees compensated by the reporting unit? (If "NO", describe on a continuation sheet, the types of employees not included and describe the methods used to identify and distribute their salary and wage costs to direct and indirect cost objectives.)</p> <p>_____ Yes</p> <p><u>X</u> No</p>																																			

³ Describe on a Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
2.5.2	Salary and Wage Cost Accumulation System. (Within each major function or activity, describe, on a continuation sheet, the specific accounting records or memorandum records used to accumulate and record the share of the total salary and wage costs attributable to each employee's direct (Federally sponsored projects, non-sponsored projects or similar cost objectives) and indirect activities. Indicate how the salary and the wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records.)	
2.6.0	Description of Direct Fringe Benefits Costs. All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet <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.)	
2.6.1	Method of Charging Direct Fringe Benefits. (Describe on a continuation sheet, how each type of fringe benefit cost identified in item 2.6.0. is measured, assigned and allocated (for definitions, See 9903.302-1); first, to the major functions (e.g., instruction, research); and, then to individual projects or direct cost objectives within each function.)	
2.7.0	Description of Other Direct Costs. All other items of cost directly identified with Federally sponsored agreements or similar cost objectives. (List on a continuation sheet the principal classes of other costs which are charged directly, e.g., travel, consultants, services, subgrants, subcontracts, malpractice insurance, etc.)	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS UMBC																										
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005																											
2.8.0	<p><u>Cost Transfers.</u> 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.)</p> <p><u> X </u> Yes</p> <p>_____ No</p>																											
2.9.0	<p><u>Interorganizational Transfers.</u> This item is directed only to those materials, supplies, and services which are, or will be transferred to you from other segments of the educational institution. (Mark the appropriate line(s) in each column to indicate the basis used by you as transferee to charge the cost or price of interorganizational transfers or materials, supplies, and services to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, explain on a continuation sheet.)</p> <table border="0"> <thead> <tr> <th></th> <th><u>Materials</u> (1)</th> <th><u>Supplies</u> (2)</th> <th><u>Services</u> (3)</th> </tr> </thead> <tbody> <tr> <td>A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.</td> <td><u> X </u></td> <td><u> X </u></td> <td><u> X </u></td> </tr> <tr> <td>B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>C. At established catalog or market price or prices based on adequate competition.</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Y. Other(s)⁴</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Z. Interorganizational transfers are not applicable.</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>					<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.	_____	_____	_____	C. At established catalog or market price or prices based on adequate competition.	_____	_____	_____	Y. Other(s) ⁴	_____	_____	_____	Z. Interorganizational transfers are not applicable.	_____	_____	_____
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⁴ Describe on a Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
2.1.0 Revised	<p>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives. (Revised Effective 7/1/2003)</p> <p>For all major categories of cost, the University's policy is to comply with the Office of Management and Budget guidance in treating costs as either direct or indirect, according to the purpose and circumstances under which the cost was incurred. The University records costs by a series of chart of account values that indicate the fund, program, department and project the costs are assigned. All transactions are assigned an account. The account indicates the type of cost by object of expenditure. The University also follows the guidelines of Section F.6.b of Circular A-21, which specifies the normal treatment of certain costs commonly incurred by academic departments and organized research units. It is the responsibility of the department or unit incurring the cost to classify costs incurred for the same purpose, in like circumstances, consistently as either direct or indirect costs. This concept is reinforced and emphasized in Cost Accounting Standard (CAS) 502 Consistency in Allocating Cost Incurred for the Same Purpose – This standard requires that cost incurred for the same purpose and in like circumstances are either direct or indirect. Complying with this standard helps the University guard against overcharging and helps prevent double counting.</p> <p>For example, when administrative and clerical cost are directly charged to the sponsored agreements, it is because the activity explicitly budgets for administrative or clerical services and the individuals involved can be specifically identified with a Major Project. Major Project as defined in section F.6.b.2 of Circular A-21, is a project that requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments.</p>	
2.2.0	<p>Description of Direct Materials</p> <p>Direct materials and supplies are those materials and supplies that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, and that can be assigned to such activities relatively easily with a high degree of accuracy. Categories of such materials and supplies include, but are not limited to:</p> <ul style="list-style-type: none"> • Laboratory: purchase of beakers, test tubes, utensils, aprons, coats, etc. • Conference: purchase of conference materials issued to conference participants. • Instructional materials: purchase of educational and vocational training supplies for students, including textbooks, workbooks, trade tools, etc. • Purchase/Care of animals: purchase and care costs for experimental animals. • Audiovisual: purchase of films, transparencies, etc. • Sensitive items: purchase of items that are easily concealed and prone to theft such as cameras and electronic equipment. • Chemicals and compressed gasses: purchased of chemicals and compressed gasses. • Radio active materials: purchase of materials exhibiting radioactivity. Radioactivity is the property possessed by some elements, e.g., uranium, of spontaneously emitting alpha or beta rays by disintegration of the nuclei in atoms. • Data processing equipment < \$5,000: purchase of equipment including microcomputers, printers, OCR equipment, etc., whose price is less than \$5,000 per item. • Other: purchase of non-data processing supplies and materials, which cannot be specifically recorded, to any other expense category. 	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005
2.4.0	<p>Description of Personal Services</p> <p>Direct personal services are those that can be identified specifically with a particular sponsored project, and instructional activity, or any other institutional activity; and can be directly assigned to such activities relatively easily with a high degree of accuracy. Direct personal services consist of salary and wages and associated fringe benefits.</p> <p>The principal classes of direct personal service costs are faculty, professional staff (research associates, research scientists, etc.), technicians, lab assistants, post doctoral fellows and students performing scientific or technical work. Salaries and fringe benefits of administrative and clerical staff are charged directly under the conditions described in 2.1.0.</p>
2.5.0	<p>Method of Charging Direct Salaries and Wages</p> <p>The after-the-fact activity records method is used for faculty and staff, i.e., effort reporting and time records. Individual time cards are used for hourly staff and student employees.</p>
2.5.1	<p>Salary and Wage Cost Distribution System</p> <p>The University's personnel activity reporting system consists of after-the-fact-effort reports for all individuals, except hourly employees, compensated directly by sponsored projects.</p>
2.5.2 Revised 7/1/03	<p>Salary and Wage Cost Accumulation System (Revised effective 7/1/2003)</p> <p>Responsible officials determine and record the planned distribution of each employee's salary on a payroll action form. The completed payroll action forms are used to distribute salary costs to University chart of accounts values, including sponsored agreements. Significant changes in work activity are identified on an ongoing basis and adjustments are made to the charges to reflect the changes. Accordingly, the effort reports are completed at the end of the Fall and Spring semesters consistent with the requirements in section J.8 of Circular A-21. The Personnel Activity Reporting system identifies the salaries directly charged to sponsored agreements as well as the salaries the University specifically contributes to sponsored agreements as cost sharing.</p>
2.6.0	<p><u>Description of Direct Fringe Benefit Costs</u></p> <p>Direct fringe benefits costs are those that are attributable to an employee's direct personal services costs. (See 2.4.0 above for a description of direct personal services costs.) Fringe benefits at the University include:</p> <ul style="list-style-type: none"> ◆ Leave <ul style="list-style-type: none"> ➤ sabbatical leave (is available only to tenured faculty) ➤ annual leave, ➤ sick leave, ➤ holiday leave, ➤ administrative leave, ➤ jury leave, ➤ military leave, ➤ subpoenaed witness, and ➤ personal leave. ◆ Retirement (employers share of retirement) <ul style="list-style-type: none"> ➤ TIAA Optional Retirement. See 6.1.1 ➤ Aetna Optional Retirement. See 6.1.1 ➤ AME Century Optional Retirement. See 6.1.1 ➤ Valic Optional Retirement. See 6.1.1 ➤ Law Enforcement (LEOPS) Retirement. See 6.1.1 ➤ Teacher's Retirement. See 6.1.1 ➤ Teachers' Pension. See 6.1.1 ➤ Employees' Retirement. See 6.1.1 ➤ Employees' Pension. See 6.1.1

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2.6.0	<ul style="list-style-type: none"> ◆ Health Insurance (Employer's share of the health insurance subsidy payable to the health insurance carrier for those employees enrolled in the health insurance program.) <ul style="list-style-type: none"> ➤ Medical insurance. ➤ Prescription Drug Card Plan. ➤ Dental. ➤ Accidental death and dismemberment. ◆ Additional coverage is offered with any additional costs covered entirely by the employees and retirees. ◆ Retiree Health Insurance: The same health insurance programs are available to retirees as are available to employees. ◆ Social Security: Employer's share of social security payments passed on the effective rate and base as provided by Federal law. ◆ Unemployment Insurance Regular Employee: Employer's share of unemployment insurance premium for regular (other than contractual) employees, ◆ Unemployment Insurance Contractual Employee: Employer's share of unemployment insurance premium for contractual employees. ◆ Tuition Remission/Waiver – Grad. Assistant: Cost of tuition waiver granted to graduate assistants. ◆ Tuition Remission/Waiver – Employees: Cost of tuition waivers granted to employees (other than Grad. Assistants). 	
2.6.1	<p><u>Methods of charging individual direct fringe benefits.</u></p> <p>Except as otherwise noted, employee benefits are charged on an actual basis identified by the State of Maryland payroll system. Sick, holiday, and vacation leave is charged on the cash basis to the cost objectives being charged for the employees' normal work time. At fiscal year end, UMBC determines its liability for accrued annual leave costs from the Human Resource records. The accrued annual leave costs are recorded in the University's financial statements. The University's Financial Services division retains supporting documentation. Accrued vacation costs paid to terminated employees are charged to the accrued annual leave liability account. Terminated employees are not entitled to remuneration for unused personal or sick leave. Retirees can apply unused sick leave to extend time of employment for the purposes of calculating employee's pension payment, but they are not paid for unused sick leave.</p>	
2.7.0	<p><u>Description of Other Direct Costs.</u></p> <p>Principal categories of other costs include: travel, equipment, consulting services, animals, animal care, and other specialized and technical goods and services; publication costs; sub-awards; long distance telephone expenses; telecommunications; repair and maintenance costs; and rent and other facility costs of off-campus facilities.</p>	
	<p>End of Part II</p>	

<p>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>	<p>PART III - INDIRECT COSTS UMBC</p>
<p>Item No.</p>	<p>Item Description Revision Number 2 Effective Date 3/31/2005</p>
<p>3.1.0</p>	<p>Instructions for Part III</p> <p>Institution should disclose how the segment's total direct costs are identified and accumulated in specific indirect cost categories and allocated to applicable indirect cost pools and service centers within each major function or activity, how service center costs are accumulated and "billed" to users, and the specific indirect cost pools and allocation bases used to calculate the indirect cost rates that are used to allocate accumulated indirect costs to Federally sponsored agreements or similar final cost objectives. A continuation sheet should be used wherever additional space is required or when a response requires further explanation to ensure clarity and understanding.</p> <p>The following Allocation Base Codes are provided for use in connection with Items 3.1.0 and 3.3.0.</p> <ul style="list-style-type: none"> A. Direct Charge or Allocation B. Total Expenditures C. Modified Total Cost Basis D. Modified Total Direct Cost Basis E. Salaries and Wages F. Salaries, Wages and Fringe Benefits G. Number of Employees (head count) H. Number of Employees (full-time equivalent basis) I. Number of Students (head count) J. Number of Students (full-time equivalent basis) K. Student Hours—classroom and work performed L. Square Footage M. Usage N. Unit of Product O. Total Production P. More than one base (Separate Cost Groupings)⁵ Y. Others¹ Z. Category or Pool not applicable

FORM CASB DS-2 (REV 10/94)

⁵ List on a continuation sheet, the category and subgrouping(s) of expense involved and the allocation base(s) used.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART III - INDIRECT COSTS UMBC																																																				
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3.1.0	<p><u>Indirect Cost Categories - Accumulation and Allocation.</u> This item is directed at the identification, accumulation and allocation of all indirect costs of the institution. (Under the column heading, "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each indirect cost category are identified, recorded and accumulated in the institution's formal accounting system. If "No," describe on a continuation sheet, how the cost elements included in the indirect cost category are identified and accumulated. Under the column heading "Allocation Base," enter one of the allocation base codes A through P, Y, or Z, to indicate the basis used for allocating the accumulated costs of each indirect cost category to applicable indirect cost categories, indirect cost pools, other institutional activities, specialized service facilities and other service centers. Under the column heading "Allocation Sequence," insert 1, 2, or 3 next to each of the first three indirect cost categories to indicate the sequence of the allocation process. If cross-allocation techniques are used, insert "CA." If an indirect cost category listed in this section is not used, insert "NA.")</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Indirect Cost Category</th> <th style="text-align: center; border-bottom: 1px solid black;">Accumulation Method</th> <th style="text-align: center; border-bottom: 1px solid black;">Allocation Base Code</th> <th style="text-align: center; border-bottom: 1px solid black;">Allocation Sequence</th> </tr> </thead> <tbody> <tr> <td>(a) Depreciation/Use Allowance/Interest</td> <td style="text-align: center;"><u>NO</u></td> <td style="text-align: center;"><u>L</u></td> <td style="text-align: center;"><u>1</u></td> </tr> <tr> <td> Building</td> <td style="text-align: center;"><u>NO</u></td> <td style="text-align: center;"><u>L</u></td> <td></td> </tr> <tr> <td> Equipment</td> <td style="text-align: center;"><u>NO</u></td> <td style="text-align: center;"><u>L</u></td> <td></td> </tr> <tr> <td> Capital Improvements to Land⁶</td> <td style="text-align: center;"><u>N/A</u></td> <td style="text-align: center;"><u>N/A</u></td> <td></td> </tr> <tr> <td> Interest¹</td> <td style="text-align: center;"><u>NO</u></td> <td style="text-align: center;"><u>L</u></td> <td></td> </tr> <tr> <td>(b) Operation and Maintenance</td> <td style="text-align: center;"><u>YES</u></td> <td style="text-align: center;"><u>L</u></td> <td style="text-align: center;"><u>2</u></td> </tr> <tr> <td>(c) General Administration and General Expense</td> <td style="text-align: center;"><u>YES</u></td> <td style="text-align: center;"><u>D</u></td> <td style="text-align: center;"><u>3</u></td> </tr> <tr> <td>(d) Departmental Administration</td> <td style="text-align: center;"><u>YES</u></td> <td style="text-align: center;"><u>D</u></td> <td></td> </tr> <tr> <td>(e) Sponsored Projects Administration</td> <td style="text-align: center;"><u>YES</u></td> <td style="text-align: center;"><u>D</u></td> <td></td> </tr> <tr> <td>(f) Library</td> <td style="text-align: center;"><u>YES</u></td> <td style="text-align: center;"><u>D.G.J</u></td> <td></td> </tr> <tr> <td>(g) Student Administration and Services</td> <td style="text-align: center;"><u>YES</u></td> <td style="text-align: center;"><u>D</u></td> <td></td> </tr> <tr> <td>(h) Other¹</td> <td style="text-align: center;"><u>N/A</u></td> <td style="text-align: center;"><u>N/A</u></td> <td></td> </tr> </tbody> </table>	Indirect Cost Category	Accumulation Method	Allocation Base Code	Allocation Sequence	(a) Depreciation/Use Allowance/Interest	<u>NO</u>	<u>L</u>	<u>1</u>	Building	<u>NO</u>	<u>L</u>		Equipment	<u>NO</u>	<u>L</u>		Capital Improvements to Land ⁶	<u>N/A</u>	<u>N/A</u>		Interest ¹	<u>NO</u>	<u>L</u>		(b) Operation and Maintenance	<u>YES</u>	<u>L</u>	<u>2</u>	(c) General Administration and General Expense	<u>YES</u>	<u>D</u>	<u>3</u>	(d) Departmental Administration	<u>YES</u>	<u>D</u>		(e) Sponsored Projects Administration	<u>YES</u>	<u>D</u>		(f) Library	<u>YES</u>	<u>D.G.J</u>		(g) Student Administration and Services	<u>YES</u>	<u>D</u>		(h) Other ¹	<u>N/A</u>	<u>N/A</u>	
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FORM CASB DS-2 (REV 10/94)

⁶ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART III - INDIRECT COSTS UMBC																																																	
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3.2.0	<p><u>Service Centers.</u> Service centers are departments or functional units, which perform specific technical or administrative services primarily for the benefit of other units within a reporting unit. Service Centers include "recharge centers" and the "specialized service facilities" defined in Section J of Circular A-21. (The codes identified below should be inserted on the appropriate line for each service center listed. The column numbers correspond to the paragraphs listed below that provide the codes. Explain on a Continuation Sheet if any of the services are charged to users on a basis other than usage of the services. Enter "Z" in Column 1, if not applicable.)</p> <table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:45%;"></th> <th style="width:10%; text-align: center;">(1)</th> <th style="width:10%; text-align: center;">(2)</th> <th style="width:10%; text-align: center;">(3)</th> <th style="width:10%; text-align: center;">(4)</th> <th style="width:10%; text-align: center;">(5)</th> <th style="width:10%; text-align: center;">(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Scientific Computer Operations</td> <td align="center"><u>Z</u></td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> </tr> <tr> <td>(b) Business Data Processing</td> <td align="center"><u>Z</u></td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> </tr> <tr> <td>(c) Animal Care Facilities</td> <td align="center"><u>Z</u></td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> </tr> <tr> <td>(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)</td> <td align="center"><u>Z</u></td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> </tr> <tr> <td>_____</td> <td align="center"><u>Z</u></td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> </tr> <tr> <td>_____</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> <td align="center">—</td> </tr> </tbody> </table> <p>(1) <u>Category Code:</u> Use code "A" if the service center costs are billed only as direct costs of final cost objectives; code "B" if billed only to indirect cost categories or indirect cost pools; code "C" if billed to both direct and indirect cost objectives.</p> <p>(2) <u>Burden Code:</u> Code "A" - center receives an allocation of all applicable indirect costs; Code "B" - partial allocation of indirect costs; Code "C" - no allocation of indirect costs.</p> <p>(3) <u>Billing Rate Code:</u> Code "A" - billing rates are based on historical costs; Code "B" - rates are based on projected costs; Code "C" - rates are based on a combination of historical and projected costs; Code "D" - billings are based on the actual costs of the billing period; Code "Y" - other (explain on a Continuation Sheet).</p> <p>(4) <u>User Charges Code:</u> Code "A" - all users are charged at the same billing rates; Code "B" - some users are charged at different rates than other users (explain on a Continuation Sheet).</p> <p>(5) <u>Actual Costs vs. Revenues Code:</u> Code "A" - billings (revenues) are compared to actual costs (expenditures) at least annually; Code "B" - billings are compared to actual costs less frequently than annually.</p> <p>(6) <u>Variance Code:</u> Code "A" - Annual variance between billed and actual cost are prorated to users (as credits or charges); Code "B" - variances are carried forward as adjustments to billing rate of future periods; Code "C" - annual variances are charged or credited to indirect costs; Code "Y" - other (explain on a Continuation Sheet).</p>		(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>Z</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)	<u>Z</u>	—	—	—	—	—	_____	<u>Z</u>	—	—	—	—	—	_____	—	—	—	—	—	—
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS UMBC																												
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005																													
3.3.0	<p><u>Indirect Cost Pools and Allocation Bases</u></p> <p>(Identify all of the indirect costs pools established for the accumulation of indirect costs, excluding service centers, and the allocation bases used to distribute accumulated indirect costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable indirect cost pools, enter the applicable Allocation Base Code A through P, Y, or Z, to indicate the basis used for allocating accumulated pool costs to Federally sponsored agreements or similar cost objectives.)</p> <table> <thead> <tr> <th><u>Indirect Cost Pools</u></th> <th><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td>A. Instruction</td> <td></td> </tr> <tr> <td><u> X </u> On-Campus</td> <td><u> D </u></td> </tr> <tr> <td><u> X </u> Off-Campus</td> <td><u> D </u></td> </tr> <tr> <td><u> </u> Other⁷</td> <td><u> </u></td> </tr> <tr> <td>B. Organized Research</td> <td></td> </tr> <tr> <td><u> X </u> On-Campus</td> <td><u> D </u></td> </tr> <tr> <td><u> X </u> Off-Campus</td> <td><u> D </u></td> </tr> <tr> <td><u> </u> Other¹</td> <td><u> </u></td> </tr> <tr> <td>C. Other Sponsored Activities</td> <td></td> </tr> <tr> <td><u> X </u> On-Campus</td> <td><u> D </u></td> </tr> <tr> <td><u> X </u> Off-Campus</td> <td><u> D </u></td> </tr> <tr> <td><u> </u> Other¹</td> <td><u> </u></td> </tr> <tr> <td>D. Other Institutional Activities¹</td> <td><u> D </u></td> </tr> </tbody> </table>		<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<u> X </u> On-Campus	<u> D </u>	<u> X </u> Off-Campus	<u> D </u>	<u> </u> Other ⁷	<u> </u>	B. Organized Research		<u> X </u> On-Campus	<u> D </u>	<u> X </u> Off-Campus	<u> D </u>	<u> </u> Other ¹	<u> </u>	C. Other Sponsored Activities		<u> X </u> On-Campus	<u> D </u>	<u> X </u> Off-Campus	<u> D </u>	<u> </u> Other ¹	<u> </u>	D. Other Institutional Activities ¹	<u> D </u>
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3.4.0	<p><u>Composition of Indirect Cost Pools.</u> (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.)</p>																													
3.5.0	<p><u>Composition of Allocation Bases.</u> (For each allocation base code used in Items 3.1.0 and 3.3.0, describe on a continuation sheet the makeup of the base. For example, if a modified total direct cost base is used, specify which of the elements of direct cost identified in Part II, Direct Costs, 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.)</p>																													

⁷ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
3.6.0	<p><u>Allocation of Indirect Costs to Programs That Pay Less Than Full Indirect Costs.</u> Are appropriate direct costs of all programs and activities included in the indirect cost allocation bases, regardless of whether allocable indirect costs are fully reimbursed by the sponsoring organizations?</p> <p>A. <u> X </u> Yes</p> <p>B. <u> </u> No⁸</p>	

⁸ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
3.1.0 Revised	<p>Note: Revised Effective 7/1/2003 Except for Depreciation, indirect cost categories are recorded and accumulated as current funds expenses in the financial systems (PeopleSoft). However, because the financial accounting system was not created for OMB Circular A-21 and Cost Accounting Standards purposes, some regrouping of the recorded costs is necessary. Such reclassifications are based on attributes found in the financial accounting system data.</p>	
3.1.0(a) Revised	<p>Depreciation/Use Allowance/Interest (Revised Effective 7/1/2003)</p> <p>The total costs of buildings, equipment and capital improvements to land are reported in the Primary Government, Invested in Capital Assets, Net of Debt section of the University's audited financial statements. For management and State reporting purposes the total costs of buildings, equipment and capital improvements to land are recorded in the Plant Funds section of the internal accounting records.</p> <ol style="list-style-type: none"> Building Depreciation. The detailed building records include historical costs for each building component: current fiscal year expenditures for capital construction or renovation; and deductions for demolition expense for capital renovations; and the primary source of funds for the capital construction or renovation project, i.e., State, federal, or other funds. Building depreciation is calculated by subtracting any Federal contribution from the cost of a building. A useful life of 40 years is used. These costs are allocated using the standard square footage method based on functional use of space for each building. Straight-line depreciation is used. Equipment Depreciation. The detailed equipment inventory is maintained by Property Accounting by building and room. The cost of equipment additions are identified, recorded, and accumulated in the University's accounting system. Equipment depreciation is calculated by subtracting any Federal contribution from the cost of equipment. A useful life is assigned to each piece of equipment and straight-line depreciation is calculated. Depreciation is summarized by department and allocated based on the functional usage of square feet within a department. Capital Improvements to Land Depreciation Not Applicable. Interest. The University System of Maryland Office computes interest expense annually for UMBC. Premiums and discounts are amortized over the life of the debt, and interest expense amounts include amortization and discounts. Discounts increase the interest rate; while premiums decrease the rate. The interest expense is recorded in UMBC's accounting system. Interest is allocated to each building based on functional usage of the space. 	
3.1.0(b)	<p>Operations and Maintenance.</p> <p>Operation and Maintenance costs, as defined by generally accepted accounting principles for educational institutions, are accumulated in the financial records of the University net of direct charges for services provided to</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
3.1.0(b)	certain units and departments (i.e., auxiliary enterprises and component units). The expenses under this heading have been incurred for the administration, maintenance, preservation, and protection of the University's physical plant. Operations and maintenance costs are allocated based on the functional usage of square feet within a department. Auxiliary units reimburse the University directly for all expenses, except for fuel and utilities, which are allocated based on square footage.	
3.1.0(c)	General Administration and General Expense. Institutional Support costs, as defined by generally accepted accounting principles for educational institutions, are accumulated in the financial records of the University. General Administration and General Expense costs are those that have been incurred for the general executive and administrative officers of the institution which do not related solely to any major function of the institution. Offices include the President, Provost, VP Administration and Finance, certain areas of Financial Services, Human Resources, Procurement, Telecommunications, Institutional Research, Information Technology, and University Computing. These costs are allocated based on modified total direct cost. They are accumulated and recorded in the University's formal accounting system, except for an allocation of State and Central University Costs as determined and allocated to each campus of the University System of Maryland by the University System of Maryland Office. These costs are added to the costs accumulated in the accounting system.	
3.1.0(d)	Departmental Administration Departmental administration costs are those that have been incurred for administrative and supporting services that benefit common or joint departmental activities. The University records departmental administrative costs in units such as the Graduate School, academic dean's office, and academic departments. Expenses are composed of salaries and wages, fringe benefits, supplies and materials subject to the limitations and exclusions in OMB Circular A-21, F.6 "Departmental Administration Expenses," parts a and b. The Dean of the respective schools is allocated to the departments under their domain. Total departmental administration costs were allocated based on modified total direct cost.	
3.1.0(e)	Sponsored Projects Administration Sponsored projects administration costs are those that have been incurred by a separate organization established primarily to administer sponsored projects, i.e., Office of Sponsored Programs and Grant and Contract Accounting. Expenses are composed of salaries and wages, fringe benefits, and other goods and services. Sponsored projects administration costs are allocated to sponsored research, sponsored instruction, other sponsored activity, and sponsored other institutional activity, based on modified total direct cost.	
3.1.0(f)	Library Expenses are composed of salaries and wages, fringe benefits, and goods and services. Library income is subtracted from these costs as applicable credits. For the Library there are two levels of allocation. The first distributes the cost on the basis of student FTE and employee classification. The student FTE is then allocated 100% to the instruction base. The employee classification is allocated to all bases based on modified total direct cost.	
3.1.0(g)	Student Administration and Services Student services are those costs that have been incurred for services to students and for the administration of student affairs, including expenses of such activities as student affairs, admissions, registrar, counseling and placement services, career counseling, student health, etc. Student services are allocated 100 percent to instruction.	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	CONTINUATION SHEET UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005
3.4.0	<p>(a) Depreciation/Use Allowance/Interest</p> <p>The expenses under this category are the portions of the costs of the University, which are computed in accord with OMB Circular A-21, section J.12 and J.22.e. The interest expense in this indirect cost pool is the interest on external debt associated with buildings, equipment, and capital improvements.</p> <p>(b) Plant operations and Maintenance</p> <p>The expenses under this heading are those that have been incurred for the administration, supervision, operation, maintenance, preservation, and protection of the University's physical plant. It includes expenses such as janitorial and utility services; repairs and normal alterations of buildings, furniture, and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; property, liability and all other insurance relating to property; motor vehicle maintenance; and preventative and area maintenance. This pool includes an allocable portion of building and equipment depreciation.</p> <p>(c) General Administration and General Expense</p> <p>The expenses under this category are those that have been incurred for the general executive and administrative offices and other expenses of a general character which do not relate solely to any major function of the University. This pool includes an allocable portion of building and equipment depreciation and plant operations and maintenance. Departments of the institution such as the President's and Vice President's (Provost and Administrative Affairs) offices, Institutional Research, Financial Services, Human Resources, Procurement, Telecommunications, and Informational Technology are included in this category.</p> <p>(d) Departmental Administration</p> <p>The DA category are those expenses incurred for administrative and supporting services that benefit common or joint departmental activities or objectives in academic deans offices, and academic departments. The administrative expenses for each department are allocated to the direct functions within that department. This pool includes an allocable portion of building and equipment depreciation, plant operations and maintenance, and general administration. Departmental administration costs are those that have been incurred for administrative and supporting services that benefit common or joint departmental activities, subject to OMB Circular A-21, F.6.a and F.6.b.</p> <p>(e) Sponsored Projects Administration</p> <p>Sponsored projects administration costs are those that have been incurred by a separate organization established primarily to administer sponsored projects, i.e., Office of Sponsored Programs and Grant and Contract Accounting. This pool includes an allocable portion of building and equipment depreciation, plant operation and maintenance, and general administration.</p> <p>(f) Library</p> <p>Library costs are those that have been incurred for the operation of the library. Library income was subtracted from these costs as applicable credits. This pool includes an allocable portion of building and equipment depreciation, plant operation and maintenance, and general administration.</p> <p>(g) Student Services</p> <p>Student services are those costs that have been incurred for services to students and for the administration of student affairs, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, career counseling, student health, commencements and convocations, etc. This pool includes an allocable portion of building and equipment depreciation, plant operation and maintenance, and general administration.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
3.5.0	<u>Composition of Allocation Bases (Revised effective 3/31/2005)</u>	
Revised 3/31/05	<p>D - Modified Total Direct Cost</p> <p>Modified Total Direct Cost is defined as total direct costs consisting of salaries and wages, fringe benefits, materials and supplies, services, travel and subawards up to the first \$25,000 of each subaward. MTDC shall exclude equipment, capital expenditures, rental costs of off-site facilities, tuition remission, scholarships, and fellowships as well as the portion of each subaward in excess of \$25,000.</p> <p>L – Square Footage</p> <p>All assignable square footage of benefiting direct and indirect activities is included. Common areas such as hallways, stairwells and rest rooms are excluded. The square footage of a given room is assigned to the particular cost category based on a survey of the utilization of space. General classroom space has been assigned to instruction.</p> <p>G- Number of Employees (Headcount Basis)</p> <p>This basis along with Number of Students (J- FTE) is used as a basis to allocate library costs between cost pools. All faculty (teaching and non-teaching) and staff employees by EEO category comprise this basis. The Faculty and professional staff portion of library costs are allocated via MTDC to Organized Research, Instruction & Department Research, and Other Sponsored Activity. Administrative and support staff portion of library costs are allocated 100% to Other Institutional Activity</p> <p>J- Number of Students (Full-time Equivalent Basis)</p> <p>This basis along with Number of Employees (G) is used as a basis to allocate library cost between cost pools. The number of students FTE portion of library costs are allocated 100% to the Instruction & Departmental Research cost pool.</p> <p align="center">End of Part III</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV - DEPRECIATION AND USE ALLOWANCES UMBC																																																			
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4.1.0	<div style="text-align: center;">Part IV</div> <p><u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For each asset category listed below, enter a code from A through C in Column (1) describing the method of depreciation; a code from A through D in Column (2) describing the basis for determining useful life; a code from A through C in Column (3) describing how depreciation methods or use allowances are applied to property units; and Code A or B in Column (4) indicating whether or not the estimated residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column (1) only, if an asset category is not applicable)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%; text-align: left; padding: 5px;">Asset Category</th> <th style="width: 15%; text-align: center; padding: 5px;">Depreciation Method (1)</th> <th style="width: 15%; text-align: center; padding: 5px;">Useful Life (2)</th> <th style="width: 15%; text-align: center; padding: 5px;">Property Unit (3)</th> <th style="width: 15%; text-align: center; padding: 5px;">Residual Value (4)</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">(a) Land Improvements</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(b) Buildings</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(c) Building Improvements</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(d) Leasehold Improvements</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(e) Equipment</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(f) Furniture and Fixtures</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(g) Automobiles and Trucks</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(h) Tools</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;">C</td> <td style="text-align: center; border-bottom: 1px solid black;">A</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="padding: 5px;">(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)</td> <td style="text-align: center; border-bottom: 1px solid black;">Z</td> <td style="text-align: center; border-bottom: 1px solid black;"></td> <td style="text-align: center; border-bottom: 1px solid black;"></td> <td style="text-align: center; border-bottom: 1px solid black;"></td> </tr> </tbody> </table> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 48%;"> <p><u>Column (1) - Depreciation Method Code</u></p> <p>A. Straight Line</p> <p>B. Expensed at Acquisition</p> <p>C. Use Allowance</p> <p>Y. Other or more than one method⁹</p> </div> <div style="width: 48%;"> <p><u>Column (2) - Useful Life Code</u></p> <p>A. Replacement Experience</p> <p>B. Term of Lease</p> <p>C. Estimated service life</p> <p>D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21</p> <p>Y. Other or more than one method¹</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 48%;"> <p><u>Column (3) - Property Unit Code</u></p> <p>A. Individual units are accounted for separately</p> <p>B. Applied to groups of assets with similar service lines</p> <p>C. Applied to groups of assets with varying service lives</p> <p>Y. Other or more than one method¹</p> </div> <div style="width: 48%;"> <p><u>Column (4) - Residual Value Code</u></p> <p>A. Residual value is deducted</p> <p>B. Residual value is not deducted</p> <p>Y. Other or more than one method¹</p> </div> </div>			Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)	(a) Land Improvements	A	C	A		(b) Buildings	A	C	A		(c) Building Improvements	A	C	A		(d) Leasehold Improvements	A	C	A		(e) Equipment	A	C	A		(f) Furniture and Fixtures	A	C	A		(g) Automobiles and Trucks	A	C	A		(h) Tools	A	C	A		(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)	Z			
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FORM CASB DS-2 (REV 10/94)

⁹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV - DEPRECIATION AND USE ALLOWANCES UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
4.1.1	<p>Asset Valuations and Useful Lives. Are the asset valuations and useful lives used in your indirect cost proposal consistent with those used in the institution's financial statements? (Mark one.)</p> <p>A. <input checked="" type="checkbox"/> Yes B. <input type="checkbox"/> No¹⁰</p>	
4.2.0	<p><u>Fully Depreciated Assets.</u> Is a usage charge for fully depreciated assets charged to Federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Yes B. <input checked="" type="checkbox"/> No</p>	
4.3.0	<p><u>Treatment of Gains and Losses on Disposition of Depreciable Property.</u> Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Excluded from determination of sponsored agreements costs B. <input type="checkbox"/> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged C. <input type="checkbox"/> Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved D. <input type="checkbox"/> Not accounted for separately, but reflected in the depreciation reserve account Y. <input type="checkbox"/> Others¹ Z. <input checked="" type="checkbox"/> Not applicable</p>	
4.4.0	<p><u>Criteria for Capitalization.</u> (Enter (a) the minimum dollar amount of expenditures which are capitalized for acquisition, addition, alteration, donation and improvement of capital assets, and (b) the minimum number of expected life years of assets which are capitalized. If more than one-dollar amount or number applies, show the information for the majority of your capitalized assets, and enumerate on a continuation sheet the dollar amounts and/or number of years for each category or subcategory of assets involved which differs from those for the majority of assets.)</p> <p>A. Minimum Dollar Amount <u>\$5,000</u> B. Minimum Life Years <u>1</u></p>	
4.5.0	<p><u>Group or Mass Purchase.</u> Are group or mass purchases (initial complement) of similar items, which individually are less than the capitalization amount indicated above, capitalized? (Mark one.)</p> <p>A. <input checked="" type="checkbox"/> Yes¹ B. <input type="checkbox"/> No</p>	

FORM CASB DS-2 (REV 10/94)

¹⁰ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
4.1.1	<p>For June 30, 2001 and prior years, the audited financial statements of the University report asset valuation cost without recognition of depreciation. However, effective 7/1/01, GASB 35 required the University to record depreciation in the financial statements. Future financial statements will be consistent with the Indirect Cost Proposal regarding the recording of depreciation.</p> <p>End of Part IV</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART V - OTHER COSTS AND CREDITS UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
	Part V	
5.1.0	<p><u>Method of Charging Leave Costs.</u> Do you charge vacation, sick, holiday and sabbatical leave costs to sponsored agreements on the cash basis of accounting (i.e., when the leave is taken or paid), or on the accrual basis of accounting (when the leave is earned)? (Mark applicable line(s))</p> <p>A. <u> X </u> Cash</p> <p>B. <u> </u> Accrual¹¹</p>	
5.2.0	<p><u>Applicable Credits.</u> This item is directed at the treatment of "applicable credits" as defined in Section C of Circular A-21 and other incidental receipts (e.g., purchase discounts, insurance refunds, library fees and fines, parking fees, etc.). (Indicate how the principal types of credits and incidental receipts the institution receives are usually handled.)</p> <p>A. <u> X </u> The credits/receipts are offset against the specific direct or indirect costs to which they relate.</p> <p>B. <u> </u> The credits/receipts are handled as a general adjustment to the indirect pool.</p> <p>C. <u> </u> The credits/receipts are treated as income and are not offset against costs.</p> <p>D. <u> </u> Combination of methods¹</p> <p>Y. <u> </u> Other¹</p> <p style="text-align: center;">End of Part V</p>	

FORM CASB DS-2 (REV 10/94)

¹¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS <hr/> UMBC								
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005								
	Instructions for Part VI								
	<p>This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits) and insurance. Some organizations may incur all of these costs at the main campus level or for public institutions at the governmental unit level, while others may incur them at subordinate organization levels. Still others may incur a portion of these costs at the main campus level and the balance at subordinate organization levels.</p> <p>Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to Federally sponsored agreements are material, the reporting unit should require that entity to complete the applicable portions of this Part IV. (See item 4, page (i), General Instructions)</p>								
6.1.0	<u>Pension Plans.</u>								
6.1.1	<p>Defined-Contribution Pension Plans. Identify the types and number of pension plans whose costs are charged to Federally sponsored agreements. (Mark applicable line(s) and enter number of plans.)</p> <table style="width:100%; border: none;"> <tr> <th style="text-align: left; width: 10%;"><u>Type of Plan</u></th> <th style="text-align: right; width: 10%;"><u>Number of Plans</u></th> </tr> <tr> <td>A. <input type="checkbox"/> Institution employees participate in State/Local Government Retirement Plan(s)</td> <td style="text-align: right;"><input type="text"/></td> </tr> <tr> <td>B. <input checked="" type="checkbox"/> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution</td> <td style="text-align: right;"><input type="text" value="4"/></td> </tr> <tr> <td>C. <input type="checkbox"/> Institution has its own Defined-Contribution Plan(s)¹²</td> <td style="text-align: right;"><input type="text"/></td> </tr> </table>	<u>Type of Plan</u>	<u>Number of Plans</u>	A. <input type="checkbox"/> Institution employees participate in State/Local Government Retirement Plan(s)	<input type="text"/>	B. <input checked="" type="checkbox"/> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	<input type="text" value="4"/>	C. <input type="checkbox"/> Institution has its own Defined-Contribution Plan(s) ¹²	<input type="text"/>
<u>Type of Plan</u>	<u>Number of Plans</u>								
A. <input type="checkbox"/> Institution employees participate in State/Local Government Retirement Plan(s)	<input type="text"/>								
B. <input checked="" type="checkbox"/> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	<input type="text" value="4"/>								
C. <input type="checkbox"/> Institution has its own Defined-Contribution Plan(s) ¹²	<input type="text"/>								
6.1.2	<p>Defined-Benefit Pension Plan. (For each defined-benefit plan (other than plans that are part of a State or Local government pension plan) describe on a continuation sheet the actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)</p>								
6.2.0	<p><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.)</p> <p>Z. <input type="checkbox"/> Not Applicable</p>								

FORM CASB DS-2 (REV 10/94)

¹² Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
6.2.1	Determination of Annual PRB Costs. (On a continuation sheet, indicate whether PRB costs charged to Federally sponsored agreements are determined on the cash or accrual basis of accounting. If costs are accrued, describe the accounting practices uses, including actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)	
6.3.0	<p><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.)</p> <p>A. <input type="checkbox"/> When accrued (book accrual only)</p> <p>B. <input type="checkbox"/> When contributions are made to a nonforfeitable fund</p> <p>C. <input type="checkbox"/> When contributions are made to a forfeitable fund</p> <p>D. <input type="checkbox"/> When the benefits are paid to employee</p> <p>E. <input type="checkbox"/> When amounts are paid to an employee welfare plan</p> <p>Y. <input type="checkbox"/> Other or more than one method¹³</p> <p>Z. <input checked="" type="checkbox"/> Not Applicable</p>	
6.4.0	<u>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance.)</u>	
6.4.1	<p>Worker's Compensation and Liability. 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)</p> <p>B. <input type="checkbox"/> When provisions for reserves are recorded based on the present value of the liability</p> <p>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</p> <p>D. <input type="checkbox"/> When funds are set aside or contributions are made to a fund</p> <p>Y. <input type="checkbox"/> Other or more than one method¹</p> <p>Z. <input checked="" type="checkbox"/> Not Applicable</p>	
6.4.2	<p>Casualty Insurance. 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 losses are incurred (no provision for reserves)</p> <p>B. <input type="checkbox"/> When provisions for reserves are recorded based on replacement costs</p> <p>C. <input type="checkbox"/> When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles.</p> <p>D. <input type="checkbox"/> Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves)</p> <p>Y. <input type="checkbox"/> Other or more than one method¹</p> <p>Z. <input checked="" type="checkbox"/> Not Applicable</p>	

FORM CASB DS-2 (REV 10/94)

¹³ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
6.1.0	Pension Plans Nonexempt employees must enroll in the defined benefit plan offered by the Maryland State Retirement System. Faculty and exempt staff can elect to enroll in either the Maryland State Retirement System or a defined contribution plan offered through the Optional Retirement Plan.	
6.1.1	Pension Plans – Defined – Contribution Pension Plans The Optional Retirement Plan is a defined contribution plan. Under this type of pension, the University deposits a defined percentage of an employee's salary into an investment program on an annual basis. This money accumulates until the time of retirement. At that time, this sum is paid out to the employee in annual increments. Under the Optional Retirement Plan, an employee can elect to contribute an additional 5% of his/her salary to the program. Vesting in the Optional Retirement Plan occurs immediately. An employee at the University may participate in several supplemental retirement annuity programs. Sections 403(b), and 401(k), and 457 of the Internal Revenue Service code govern these programs. The State of Maryland determines the amount of subsidies.	
6.1.2	Defined-Benefit Pension Plan The pension plan offered by the Maryland State Retirement System is a defined benefit program. The plan uses a mathematical formula at the time of retirement to determine the monthly pension amount. This formula takes into consideration such factors as the length of employment, age at the time of retirement, and the average of the three highest years of salary. Vesting in the Maryland State Retirement System occurs after 5 years of service. The amount of subsidies is based on actuarial estimates and is determined by the State of Maryland.	
6.2.0	Post Retirement Benefits Other Than Pensions (including post retirement health care benefits) (PBRs) Former employees who are receiving retirement benefits may continue to participate in the State health care insurance programs to include available health, vision and dental plans. The State subsidizes the costs based on years of credited service (prorated). The retiree must pay the difference between the prorated subsidy and the entire premium cost. Charges to grants equal the percent of the health insurance rate set by the State of Maryland.	
6.2.1	Determination of Annual PRB Costs. The University is assessed a portion of the Medical Insurance Special Subsidy which can be charged to Federally funded programs. The criterion for charging sponsored program accounts is employee enrollment in select pension plans. The State of Maryland establishes set percentage rates each fiscal year for the Universities' contribution to the subsidy.	
	End of Part VI	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VII - CENTRAL SYSTEM OR GROUP EXPENSES
		UMBC
Item No.	Item Description	
	Revision Number 2 Effective Date 3/31/2005	
	<p>DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE.</p> <p>Instructions for Part VII</p> <p>This part should be completed <u>only</u> by the central system office or a group office of an educational system when that office is responsible for administering two or more segments, where it allocates its costs to such segments and where at least one of the segments is required to file Parts I through VI of the Disclosure Statement.</p> <p>The reporting unit (central system or group office) should disclose how costs of services provided by the reporting unit are, or will be, accumulated and allocated to applicable segments of the institution. For a central system office, disclosure should cover the entire institution. For a group office, disclosure should cover all of the subordinate organizations administered by that group office.</p> <p>7.1.0 <u>Organizational Structure.</u></p> <p>On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.</p> <p>7.2.0 <u>Cost Accumulation and Allocation.</u></p> <p>On a continuation sheet, provide a description of:</p> <p>A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc.), in brief.</p> <p>B. How the costs of the services are identified and accumulated.</p> <p>C. The basis used to allocate the accumulated costs to the benefiting segments.</p> <p>D. Any costs that are transferred from a segment <u>to</u> the central system office or the intermediate administrative office, and which are reallocated to another segment(s). If none, so state.</p> <p>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.</p>	

FORM CASB DS-2 (REV 10/94)

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		CONTINUATION SHEET UMBC
Item No.	Item Description Revision Number 2 Effective Date 3/31/2005	
7.1.0	Organizational Structure See Organization Chart following item 7.2.0 E, on this continuation sheet.	
7.2.0	Cost Accumulation and Allocation A. Services provided to segments of the University System The mission of the University System of Maryland Office (USMO) is to provide leadership, planning, and resource management to advance the quality and accessibility of USM services, and to increase the synergies among the USM member institutions. The USMO serves three principal constituencies: the citizens of Maryland, the USM Board of Regents, and the USM member institutions. The USMO develops strategic plans for the USM in response to statewide needs; ensures the efficient and effective use of the System's financial resources; sets system wide performance standards; and facilitates collaborative efforts among USM institutions. The USMO recommends to the Board of Regents system wide policies and procedures; monitors academic, financial, and other administrative performance throughout the System; provides management information for planning and decision-making; develops and evaluates institutional leadership; and analyzes major issues facing the USM. The USMO charts the direction for the System as a whole; fosters productive partnerships among institutions of the USM and with government, industry, and other key constituencies; secures financial support from public and private sources; arbitrates inter-institutional issues; and provides management counsel and technical assistance in key administrative areas. B. How the costs of the services are identified and accumulated University System of Maryland Office costs are identified and accumulated in its Financial Reporting System (FRS). FRS is a batch processing system. Costs are recorded by object of expenditure within cost centers. Reports are produced monthly which show detail expenditures processed for the month, and year-to-date amounts summarized by object of expenditure within each cost center. In addition to the costs of USMO, the costs of the State of Maryland Central Services and Legislative Auditor are identified and accumulated. The Department of Budget and Management and the Legislative Auditor provide these costs, respectively. C. Basis used to allocate the accumulated costs to the benefiting segments The allocation rate used to distribute USMO costs and the State Central costs is based on each institution's percentage of total system salaries and wages less the allocable portion of USMO. The costs of the Legislative Auditor are allocated directly to the institution as incurred. D. Any costs that are transferred from a segment to the Central System Office or intermediate administrative office, and which are reallocated to another segment None 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. None	
	End of Part VII	