

UNIVERSITY OF NEBRASKA AT OMAHA

COST ACCOUNTING PRACTICES

DIRECT COST:

Direct Costs are those costs that can be specifically identified with a particular sponsored project or institutional activity. For example, employee salary for performance of work under a sponsored agreement is charged to the sponsored agreement as a direct cost. Fringe benefits related to an employee's salary are charged to the same place as the salary. Tuition related to a Graduate Assistant's salary is charged to the same place as the Graduate Assistant's salary. Other examples of direct costs are materials and supplies, travel, and telephone toll charges that are specifically identified with a sponsored agreement.

FACILITIES & ADMINISTRATIVE COST:

Facilities and Administrative costs are those costs that are incurred for common or joint objectives and therefore cannot be specifically identified with a particular sponsored project.

For example, administrative and clerical employee salary that cannot be specifically identified with a sponsored agreement is included in the F & A cost. Other examples of F & A costs are office supplies, local telephone cost, and memberships that are not specifically identified with a sponsored agreement. F & A costs also include building use charges, operation and maintenance of facilities, utilities, and institutional administration.

COST ACCOUNTING STANDARDS

The following Cost Accounting Standards for Educational Institutions will be followed.

CAS 9905.501- Consistency in Estimating, Accumulating, and Reporting Costs

CAS 9905.502- Consistency in Allocating Costs Incurred for the Same Purpose

CAS 9905.505- Accounting for Unallowable Costs

CAS 9905.506- Cost Accounting Period