



## POLICY & PROCEDURE DOCUMENT

NUMBER: 3.2540

DIVISION: Finance and Administration

TITLE: Grants and Contracts Accounting - Cost Accounting Standards

DATE: June 30, 2014

Authorized by: K. Ann Mead, Sr. VP for Finance & Administration

### I. Purpose and Scope

To adopt the Office of Management and Budget (OMB) revised Circular A-21 which establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.

### II. Policy

1. As of December 26, 2014, cost principles will follow 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
2. WKU will adhere to the following standards, as prescribed by 48 CFR 9905:
  - a. #.501 Consistency in estimating, accumulating, and reporting costs
  - b. #.502 Consistency in allocating costs incurred for the same purpose
  - c. #.505 Accounting for unallowable costs
  - d. #.506 Cost accounting period
3. In addition, any institution that receives a total of \$50 million or more in sponsored agreements during their most recent fiscal year, must file a formal Disclosure Statement (DS-2).

### III. Procedures

n/a

#### **IV. Related Policies**

All 3.25xx, 3.26xx and 3.27xx policies