

MISSISSIPPI STATE UNIVERSITY

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS

CASB DS-2

AMENDED STATEMENT

REVISION #4, EFFECTIVE 05/01/2015

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

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

**GENERAL INSTRUCTIONS
MISSISSIPPI STATE UNIVERSITY**

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.

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MISSISSIPPI STATE UNIVERSITY**

8. Where the cost accounting practice being disclosed is clearly set forth in the institution's existing written accounting policies and procedures, such documents may be cited on a continuation sheet and incorporated by reference. In such cases, the reporting unit should provide the date of issuance and effective date for each accounting policy and/or procedures document cited. Alternatively, copies of the relevant parts of such documents may be attached as appendices to the pertinent Disclosure Statement Part. Such continuation sheets and appendices should be labeled and cross-referenced with the applicable Disclosure Statement item number. Any supplementary comments needed to fully describe the cost accounting practice being disclosed should also be provided.

9. Disclosure Statements must be amended when disclosed practices are changed to comply with a new CAS or when practices are changed with or without agreement of the Government (Also see 48 CFR 9903.202-3).

10. Amendments shall be submitted to the same offices to which submission would have to be made were an original Disclosure Statement being filed.

11. Each amendment should be accompanied by an amended cover sheet (indicating revision number and effective date of the change) and a signed certification. For all resubmissions, on each page, insert "Revision Number ____" and "Effective Date ____" in the Item Description block; and, insert "Revised" under each Item Number amended. Resubmitted Disclosure Statements must be accompanied by similar notations identifying the items which have been changed.

ATTACHMENT - Blank Continuation Sheet

**COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT
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CONTINUATION SHEET

NAME OF REPORTING UNIT

**Item
No.**

Item description

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

**COVER SHEET AND CERTIFICATION
MISSISSIPPI STATE UNIVERSITY**

0.1

Educational Institution

- (a) Mississippi State University
- (b) McArthur Hall, Room 536
- (c) Mississippi State University, MS 39762
- (d) Division or Campus of
(if applicable)

0.2

Reporting Unit is: (Mark one.)

- A. Independently Administered Public Institution
- B. Independently Administered Nonprofit Institution
- C. Administered as Part of a Public System
- D. Administered as Part of a Nonprofit System
- E. Other (Specify) _____

0.3

Official to Contact Concerning this Statement:

- (a) Kevin Edelblute, Controller & Treasurer
- (b) Phone Number (662) 325.2302

0.4

(c) Statement Type and Effective Date:

- A. (Mark type of submission. If a revision, enter number)
 - (a) Original Statement
 - (b) Amended Statement; Revision No. 4
- B. Effective Date of this Statement: (Specify) May 1, 2015

0.5

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

- A. Cognizant Federal Agency: U.S. Department of Health & Human Services
Western Field Office
90 – 7th Street, Suite 4-600
San Francisco, CA 94103-6705
- B. Cognizant Federal Auditor: Cost Allocation Services
U.S. Department of Health & Human Services
7700 Wisconsin Ave., Suite 2300
Bethesda, MD 20857

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: 4-30-2015



(Signature)

Don Zant
Vice President for Budget & Planning

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

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
Part I		
1.1.0	<p>Description of Your Cost Accounting System 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. __X__ Modified Accrual Basis ^{1/}</p> <p>C. ___ ___ Cash Basis</p> <p>Y. ___ ___ Other ^{1/}</p>	
1.2.0	<p>Integration of Cost Accounting with Financial Accounting. 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. __X__ 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. ___ ___ Combination of A and B</p>	
1.3.0	<p>Unallowable Costs. 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. __X__ Combination of A, B or C ^{1/}</p> <p>E. ___ ___ Determinable by other means. ^{1/}</p>	
<p>^{1/} Describe on a Continuation Sheet.</p>		

**COST ACCOUNTING STANDARDS BOARD
 DISCLOSURE STATEMENT
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 EDUCATIONAL INSTITUTIONS**

PART I - GENERAL INFORMATION

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
1.3.1	Treatment of Unallowable Costs. (Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group office allocates costs to a segment.)	
1.4.0	Cost Accounting Period: <u>July 1 to June 30</u> (Specify the twelve month period used for the accumulation and reporting of costs under Federally sponsored agreements, e.g., 7/1 to 6/30. If the cost accounting period is other than the institution's fiscal year used for financial accounting and reporting purposes, explain circumstances on a continuation sheet.)	
1.5.0	State Laws or Regulations. Identify on a continuation sheet any State laws or regulations which influence the institution's cost accounting practices, e.g., State administered pension plans, and any applicable statutory limitations or special agreements on allowance of costs.	
<u>1/ Describe on a Continuation Sheet.</u>		

**COST ACCOUNTING STANDARDS BOARD
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EDUCATIONAL INSTITUTIONS**

CONTINUATION SHEET

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
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1.1.0	<u>Description of Cost Accounting System</u>																									
	<p>Mississippi State University generally operates on the accrual basis with the following exceptions, which are common practices in colleges and universities:</p> <ul style="list-style-type: none"> • The schedule of changes in fund balances is a statement of financial activities of University Funds relating to the current reporting period. It does not propose to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses. • To the extent that Current Funds are used to finance plant assets, the amounts so provided are accounted for as mandatory transfers. • Certain investment income and interest on student loans are recorded only when received. • Bond interest expense is recorded only when paid. • Gifts, grants and pledges are generally recorded when received or when billable. <p>Investments are stated at fair market value at the time of donations. Property, buildings and equipment are stated at cost at the date of acquisition or fair market value at date of donation. Capital improvements are treated as Capital Expenditures. Merchandise for resale inventories and consumable supply inventories are stated at cost, with cost being determined principally by the first-in, first-out method except for plant maintenance inventory with cost being determined by the weighted-average method.</p> <p>The Summer Academic Calendar consists of four separate terms (listed below). Revenues and expenditures associated with the three week term are recognized in the same, current fiscal year in which the three-week term occurs. However, GASB requires that revenues and expenditures associated with all other parts of the summer term enrollment be distributed based on the production of course credit hours across the full summer term.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th align="left">Description</th> <th align="left">Usual months</th> <th align="right">Current FY</th> <th align="right">Future FY</th> <th align="right">Total</th> </tr> </thead> <tbody> <tr> <td>1. One 3-Week Term</td> <td>May</td> <td align="right">100%</td> <td align="right">0%</td> <td align="right">100%</td> </tr> <tr> <td>2. Two 5-Week Term</td> <td>June</td> <td align="right">68%</td> <td align="right">32%</td> <td align="right">100%</td> </tr> <tr> <td>3. One 5-Week Term</td> <td>July</td> <td align="right">68%</td> <td align="right">32%</td> <td align="right">100%</td> </tr> <tr> <td>4. One 10-Week Term</td> <td>Both 5 wk terms combined</td> <td align="right">68%</td> <td align="right">32%</td> <td align="right">100%</td> </tr> </tbody> </table> <p>Restricted Fund revenue is recognized only to the extent expended.</p>		Description	Usual months	Current FY	Future FY	Total	1. One 3-Week Term	May	100%	0%	100%	2. Two 5-Week Term	June	68%	32%	100%	3. One 5-Week Term	July	68%	32%	100%	4. One 10-Week Term	Both 5 wk terms combined	68%	32%
Description	Usual months	Current FY	Future FY	Total																						
1. One 3-Week Term	May	100%	0%	100%																						
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CONTINUATION SHEET

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
1.3.0	<p><u>Unallowable Cost</u></p> <p>Unallowable costs are separately maintained accounting memorandum records and work papers. Unallowable functions such as the Alumni Office, Development Office, and Public Relations have been mapped to the unallowable activity cost pool and have been allocated a share of administrative overhead. Other unallowable costs such as entertainment costs and advertising expense are identified in the accounting system by specific object code and have been properly excluded from the rate calculation. The University's unallowable costs on a sponsored agreement are determined on a case by case basis.</p>	
1.3.1	<p><u>Treatment of Unallowable Cost</u></p> <p>Consistent with Federal regulations, it is the University's policy not to charge unallowable costs directly or indirectly to Federal awards. Unallowable costs are included in the Other Institutional Activities (OIA) allocation base. If the terms and conditions of the sponsored agreements or agency specify for certain costs to be deemed unallowable, the University adheres to those stipulations. Any other unallowable expenses that are expressly prohibited by law or regulation, or by 2 CFR Part 200 Subpart E Sections 420 - 475 are included in the OIA base so that the proper share of indirect costs are allocated to the unallowable activities. Unallowable costs are eliminated from any indirect cost pools that would be functions chargeable to the government. In circumstances where costs that would normally be allowable are deemed unallowable by designation or specific written interpretation, the costs are allocated to the appropriate cost pool base instead of to the sponsored agreement to which they are directly related.</p>	

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CONTINUATION SHEET

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
1.5.0	<p><u>State Laws or Regulations</u></p> <p>The following areas are influenced by the laws of the state of Mississippi:</p> <p>Equipment http://www.property.msstate.edu/forms/Procedures_Manual_2014.pdf</p> <p>Equipment (Govt) http://www.property.msstate.edu/forms/Federal%20Property%20Manual%2009%2014.pdf</p> <p>Leave http://www.hrm.msstate.edu/benefits/leave/</p> <p>Purchasing http://www.procurement.msstate.edu/pcmanual_1.pdf</p> <p>Retirement http://www.hrm.msstate.edu/benefits/retirement/</p> <p>Travel http://www.travel.msstate.edu/policy/</p> <p style="text-align: center;">-End of Part I-</p>	

COST ACCOUNTING STANDARDS BOARD
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PART II - DIRECT COSTS

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
	Instructions for Part II	
	<p>Institutions should disclose what costs are, or will be, charged directly to Federally sponsored agreements or similar cost objectives as Direct Costs. It is expected that the disclosed cost accounting practices (as defined at 48 CFR 9903.302-1) for classifying costs either as direct costs or indirect costs will be consistently applied to all costs incurred by the reporting unit.</p>	
2.1.0	<p><u>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For all major categories of cost under each major function or activity such, as instruction, organized research, other sponsored activities and other institutional activities, describe on a continuation sheet, your criteria for determining when costs incurred for the same purpose, in like circumstances, are treated either as direct costs only or as indirect costs only with respect to final cost objectives. Particular emphasis should be placed on items of cost that may be treated as either direct or indirect costs (e.g., Supplies, Materials, Salaries and Wages, Fringe Benefits, etc.) depending upon the purpose of the activity involved. Separate explanations on the criteria governing each direct cost category identified in this Part II are required. Also, list and explain if there are any deviations from the specified criteria.)</p>	
2.2.0	<p><u>Description of Direct Materials.</u> All materials and supplies directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the principal classes of materials which are charged as direct materials and supplies.)</p>	
2.3.0	<p><u>Method of Charging Direct Materials and Supplies.</u> (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p>	
2.3.1	<p>Direct Purchases for Projects are Charged to Projects at:</p> <p>A. _____ Actual Invoiced Costs B. <u> X </u> Actual Invoiced Costs Net of Discounts Taken Y. _____ Other(s) ^{1/} Z. _____ Not Applicable</p>	
2.3.2	<p>Inventory Requisitions from Central or Common, Institution-owned Inventory. (Identify the inventory valuation method used to charge projects):</p> <p>A. _____ First In, First Out B. _____ Last In, First Out C. _____ Average Costs ^{1/} D. _____ Predetermined Costs ^{1/} Y. <u> X </u> Other(s) ^{1/} Z. _____ Not Applicable</p>	
	<p>^{1/} Describe on a Continuation Sheet.</p>	

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PART II - DIRECT COSTS

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015			
2.4.0	Description of Direct Personal Services. All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal services compensation costs, including applicable fringe benefits costs, if any, within each major institutional function or activity that are charged as direct personal services.)				
2.5.0	Method of Charging Direct Salaries and Wages. (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.)				
		<u>Direct Personal Services Category</u>			
		<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other ^{1/}</u>
		(1)	(2)	(3)	(4)
	A. Payroll Distribution Method (Individual time card/actual hours and rates)	_____	_X_	_X_	_____
	B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)	_X_	_X_	_X_	_____
	C. After-the-fact Activity Records (Percentage Distribution of employee activity)	_____	_____	_____	_____
	D. Multiple Confirmation Records (Employee Reports prepared each academic term, to account for employee's activities, direct and indirect charges are certified separately.)	_____	_____	_____	_____
	Y. Other(s) ^{1/}	_____	_____	_____	_____
	^{1/} Describe on a Continuation Sheet.				

COST ACCOUNTING STANDARDS BOARD
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PART II - DIRECT COSTS

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
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 align="center"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>	
2.5.2	<p>Salary and Wage Cost Accumulation System.</p> <p>(Within each major function or activity, describe, on a continuation sheet, the specific accounting records or memorandum records used to accumulate and record the share of the total salary and wage costs attributable to each employee's direct (Federally sponsored projects, non-sponsored projects or similar cost objectives) and indirect activities. Indicate how the salary and wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records.)</p>	
2.6.0	<p><u>Description of Direct Fringe Benefits Costs.</u> All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet <u>all</u> of the different types of fringe benefits which are classified and charged as direct costs, e.g., actual or accrued costs of vacation, holidays, sick leave, sabbatical leave, premium pay, social security, pension plans, post-retirement benefits other than pensions, health insurance, training, tuition, tuition remission, etc.)</p>	
2.6.1	<p>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.)</p>	
2.7.0	<p><u>Description of Other Direct Costs.</u> All other items of cost directly identified with Federally sponsored agreements or similar cost objectives. (List on a continuation sheet the principal classes of other costs which are charged directly, e.g., travel, consultants, services, subgrants, subcontracts, malpractice insurance, etc.)</p>	

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2.8.0	<p>Cost Transfers. When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants or contracts, is the credit amount for direct personal services, materials, other direct charges and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project (Consider transactions where the original charge and the credit occur in different cost accounting periods). (Mark one, if "No", explain on a continuation sheet how the credit differs from original charge.)</p> <p><u> X </u> Yes <u> </u> No</p>																															
2.9.0	<p>Interorganizational Transfers. This item is directed only to those materials, supplies, and services which are, or will be transferred to you from other segments of the educational institution. (Mark the appropriate line(s) in each column to indicate the basis used by you as transferee to charge the cost or price of interorganizational transfers or materials, supplies, and services to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, explain on a continuation sheet.)</p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th align="center"><u>Materials</u></th> <th align="center"><u>Supplies</u></th> <th align="center"><u>Services</u></th> </tr> <tr> <th></th> <th align="center">(1)</th> <th align="center">(2)</th> <th align="center">(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 align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.</td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>C. At established catalog or market competition.</td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>Y. Other(s) ^{1/}</td> <td align="center">_____</td> <td align="center">_____</td> <td align="center">_____</td> </tr> <tr> <td>Z. Interorganizational transfers are not applicable</td> <td align="center"><u> X </u></td> <td align="center"><u> X </u></td> <td align="center">_____</td> </tr> </tbody> </table>		<u>Materials</u>	<u>Supplies</u>	<u>Services</u>		(1)	(2)	(3)	A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	C. At established catalog or market competition.	_____	_____	_____	Y. Other(s) ^{1/}	_____	_____	_____	Z. Interorganizational transfers are not applicable	<u> X </u>	<u> X </u>	_____			
	<u>Materials</u>	<u>Supplies</u>	<u>Services</u>																													
	(1)	(2)	(3)																													
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CONTINUATION SHEET

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Item No.	Item description	Revision #4, Effective 05/01/2015
2.1.0	<p><u>Determining how costs are charged to federally sponsored agreements or similar cost objectives.</u></p> <p>Categories of costs are indicated as direct if they relate directly to the research project. These costs can be identified specifically with a particular sponsored project, instructional activity, or other institutional activity, and can be assigned to such activities relatively easily with a high degree of accuracy. By contrast, indirect costs are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, instructional activity, or any other institutional activity subject to the limitations and exclusions mandated by 2 CFR Part 200 . Identification with the major activity rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs. For instance, salaries, wages and fringe benefits of faculty and staff may be treated as direct costs or indirect costs depending on whether the employee is performing a direct institutional activity (such as research) or an indirect institutional activity (such as general university administration). The cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct cost of sponsored agreements, provided such items are consistently treated in like circumstances by the University as direct rather than indirect costs, and are charged under a recognized method of computing actual costs, and conform to generally accepted cost accounting practices consistently followed by the University. For more information, please see 2 CFR 200.413(c)(1) Administrative or clerical services Exception Form located at http://spa.msstate.edu/forms/pdfs/omb.pdfh</p> <p>Academic departments and other organizational units often incur material and supply costs for both direct and indirect objectives. In such departments, when administrative and clerical salaries or other costs are charged directly to sponsored projects, care is exercised to assure that costs incurred for the same purposes in like circumstances are consistently treated as direct cost for all activities of the unit (see "General Office Supplies" below).</p> <p>Costing differences may occur due to the specific restrictions of the funding agencies. For example, private sponsors may allow as direct costs certain administrative costs that are normally classified as indirect costs under 2 CFR Part 200, Appendix III, Section B.6 . The effect, if any, of this costing practice results in lower total costs to the Federal government.</p> <p>The major functions specific to the reporting unit are identified as direct cost bases in the indirect cost proposal. Separate rates, including on- and off-campus rates when appropriate, are negotiated with the University's cognizant Federal agency for all major functions that include Federal awards.</p>	

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2.1.0 (Cont.)	<p>Some examples of costs that could be treated as either direct or indirect and the criteria for determination are:</p> <p><u>Salaries and Wages</u></p> <ul style="list-style-type: none"> • Salaries for pure administration such as executive officers, central accountants, human resources management, etc. are treated as indirect costs because these functions are beneficial to general university common objectives. • Other administrative or clerical staff are treated as indirect costs unless it can be clearly demonstrated that their services are integral to the project or activity. • Faculty and Other Professionals may be treated as direct or indirect depending on the circumstance of their activity. Those activities which can be specifically identified to an instruction, research, or other direct function are treated as direct costs. Those activities which can't be specifically identified to a direct function are treated as indirect. <p><u>Travel</u></p> <ul style="list-style-type: none"> • Travel costs incurred while performing the function of general university activity such as travel by executive officers meeting with the State Board of Trustees to discuss general university business would be classified as indirect costs. Travel by a university employee related to carrying out the functions of a specific contract or grant would be classified as a direct charge to that contract or grant. <p><u>General Office Supplies</u></p> <ul style="list-style-type: none"> • General office supplies such as copier paper could be classified as direct or indirect, depending on the specifics of its use. Generally, incidental supply costs, such as copier paper, used for routine departmental work are classified as indirect by the general nature of the goods. However, when the paper can be tied to a specific project such as copying informational handouts or fliers related to a specific project cost objective, then those costs could be charged directly to that project. <p><u>Cost Sharing Externally Funded Contracts & Grants</u></p> <ul style="list-style-type: none"> • Currently we are funding and accounting for mandatory cost sharing via a transfer of funds from the cost sharing source into the companion restricted fund established for the contract/grant project account. If there is mandatory cost sharing required, it will be identified in the approved budget, which is typically incorporated into the contract/grant agreement. The cost share budget will be incorporated into the sponsor budget and loaded onto the companion restricted fund as a total project budget. 	

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2.2.0	<p><u>Description of Direct Materials</u></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; or can be directly assigned to such activities relatively easily with a high degree of accuracy. The nature of direct materials differs by activity and research project to such an extent as to make any listing of descriptions prohibitively large. In general, they are items that are consumed or which have a short expected useful life and are required for the completion of the project objectives.</p> <p>Examples of such items include but are not limited to:</p> <ul style="list-style-type: none"> • office supplies needed to complete specific project objectives • animal feed • glassware • chemicals • fuels • gases & tank supplies • miscellaneous lab supplies • publication costs • general- and special-purpose non-capital items (expendable equipment) • computer software 	

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Item No.	Item description	Revision #4, Effective 05/01/2015
2.3.2	<p><u>Inventory Requisitions.</u></p> <p>Mississippi State University does not operate a "central" or "common" institution-owned inventory for materials and supplies used directly on a sponsored project. Most items needed to complete the specific requirements of the project are purchased and charged directly to the sponsored agreement at invoiced costs, net of discounts taken, by the respective department or unit responsible for the project. Some materials and supplies are purchased from recharge centers, which maintain their own inventories specifically for their respective operations.</p>	
2.4.0	<p><u>Description of Direct Personal Services.</u></p> <p>Direct personal services are those services that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Employees are categorized as Executive/Administrative/Managerial, Faculty, Professional, Non-Exempt Support Staff (i.e. clerical, technical, skilled crafts, service, and maintenance), Graduate Students, and Student employees. The distribution of salaries of exempt employees which includes faculty, executive and professional staff is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution; whereas, non-exempt hourly employees' time can be easily identified and applied directly to the specific sponsored project. Typical costs associated with personal services charged to sponsored agreements include an allocable share of salaries; and fringe benefits such as FICA, State Retirement, Worker's Injury Compensation, Health Insurance, Medicare, Life Insurance, and compensated absences for vacation, holiday, major medical and termination leave. Termination leave is actually accumulated personal leave that is paid upon termination of employment (up to 240 hours).</p>	
2.5.0	<p><u>Method of Charging Direct Salaries and Wages.</u></p> <p>Mississippi State University uses the Plan Confirmation Method of charging direct salaries. Employees are classified as either faculty, staff, or student. Staff is then further grouped into three distinct occupational categories: (1) Executive, Administrative, and Managerial, (2) Professional/Non Faculty, and (3) Non-Exempt. All Benefits eligible employees are paid a certain amount based on a prescribed work period. Hourly employees are paid hours worked. All Exempt Benefits eligible employees are paid semi-monthly according to Method B- Plan Confirmation.</p>	

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Item No.	Item description	Revision #4, Effective 05/01/2015
2.5.2	<p><u>Salary and Wage Cost Accumulation System.</u></p> <p>Mississippi State University utilizes the BANNER Human Resources System which is made up of several interactive functions. Salary and wage costs are distributed when the employee is assigned to a labor distribution on the Employee Job Form (NBAJOBS). The Employee Job Form maintains information on a job as defined for a specified employee, including position, job description, start date, status, hours, deducts, salary/wage and benefits information. It allows for deferred salary payments, and enables you to specify a future effective date for salary changes. It also maintains the dollar amounts and labor distribution account numbers used for encumbering and expending.</p> <p>All Faculty and Professional Staff salaries/wages and fringe benefits charged directly to the sponsored agreements must be documented by an after-the-fact Time & Effort Certification approved by the Dean/Department Head/Director or supervisor. The certification should clearly state the sponsored agreement (grant/contract number and ledger number) on which the person worked and the percentage of total effort to each project. The document should accurately reflect actual payroll charged to the project and accurately incorporate redistribution of effort.</p> <p>Non-Exempt support staff must complete time sheets based on actual hours at an assigned rate of pay for work performed. Benefits eligible employees are paid based on the B Plan Confirmation method. Actual hours worked must be entered for non-benefits eligible employees and approved by the appropriate supervisor. All of the salary and wage information is entered into the payroll system via the Employee Job Form (PHAHOUR form for supplemental pay, overtime, etc.). The payroll calculations are subsequently interfaced with the BANNER Financial System. After the payroll has been generated, labor re-allocations are processed as a separate payroll run and automatically interfaced with the financial system. To impact a particular state fiscal year, redistribution must be made within ten (10) days following the last day of the state fiscal year. Any re-allocations subsequent to the closing of the fiscal year, but impacting pay periods in a prior fiscal year, will be posted in the current fiscal year.</p>	

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Item No.	Item description	Revision #4, Effective 05/01/2015
2.6.0	<p><u>Description of Direct Fringe Benefits Costs.</u></p> <p><u>Compensated Absences:</u></p> <p>Fringe benefits, in the form of regular compensation paid to employees during periods of authorized absences from the job, are charged as direct costs and distributed to all institutional activities in proportion to the relative amount of time and effort devoted by the employee.</p> <p>Types of compensated absences are listed below:</p> <ul style="list-style-type: none"> • personal leave with pay • holidays • major medical leave with pay • on-the-job injury leave • leave for death in the immediate family • administrative leave (jury duty and witness, extreme weather conditions, disaster, etc.) • compensatory leave • sabbatical leave • military leave <p><u>Other fringe benefits offered in the form of employer contributions and charged as direct costs include:</u></p> <ul style="list-style-type: none"> • Comprehensive Health Plan (CHP) • Life Insurance • Worker's Injury Compensation Insurance • State Retirement-Public Employees' Retirement System (PERS) • Optional Retirement Plan (ORP) • Social Security • Medicare 	

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Item No.	Item description	Revision #4, Effective 05/01/2015
2.6.1	<p><u>Method of Charging Direct Fringe Benefits</u></p> <p>Fringe benefits are assigned to cost objectives by identifying specific benefits to specific individual employees or by allocating on the basis of institution-wide salaries and wages of the employees receiving the benefits. Fringe benefits are treated in the same manner as the salaries and wages of the employees receiving the benefits. The benefits related to salaries and wages treated as direct costs shall also be treated as direct costs; the benefits related to salaries and wages treated as indirect costs shall be treated as indirect costs. Social security, health insurance, worker's compensation insurance, unemployment insurance, and life insurance are measured based on actual costs assigned to the University Fiscal Year in which they are accrued, and allocated to direct and/or indirect objectives on a prorated basis consistent with allocation of the benefitting employee's salary and wages.</p> <p>The retirement plan contribution rates are determined by the Public Employee's Retirement System (PERS) Board of Trustees, assigned to salaries of eligible employees in the University Fiscal Year in which they are accrued, and allocated to direct and/or indirect objectives on a prorated basis consistent with the allocation of the employee's salary and wages.</p> <p>Various authorized leave absences (i.e. vacation, holiday, and major medical leave) are paid as taken. They are allocated, as are other fringe benefits, in proportion to salary/wage distribution in effect at the time leave is taken. The only exception is terminal leave, which is actually accumulated personal leave that is paid in a lump sum upon termination. Because this has accrued over a long period of time prior to the termination, it is not likely that the funds from which the leave was accrued are available upon termination. Therefore, the cost of this benefit is accrued by charging all funds a fringe benefit rate in proportion to each funds share of the salary and wage for the payroll period as it is earned. Funds recovered from the rate charges are accumulated in a pool account from which the lump sum cash outlays are paid upon termination. The rate is adjusted on an annual basis in order to adjust for over/(under) recovery of funds during the year.</p> <p>Tuition remission for the Resident Tuition portion of graduate assistantships is charged directly to Federal contracts/grants consistent with pay distribution. The additional Non-Resident tuition amount and tuition assistance for staff and staff dependents are not charged to Federal contracts/grants.</p>	

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2.7.0	<p><u>Description of Other Direct Costs.</u></p> <p>The general rule regarding other direct costs is that if the cost is incurred specifically for a sponsored project, an instructional activity, or any other institutional activity and would not have otherwise been incurred, it is a valid direct cost.</p> <p>Other direct costs may include but are not limited to:</p> <ul style="list-style-type: none"> • Travel expenses incurred by personnel who are working directly on the research project, and only those travel expenses which are related directly to the execution of the project. • Consultants who participate in the project. • Subcontracts with other institutions or entities working directly on the project. • Rental agreements directly related to the project. Repair and maintenance of specific project equipment (not general laboratory equipment). • Capital equipment used specifically on the project. • Contractual services directly associated with the project (film processing, publication services, etc.) • Postage (major mailing directly associated with the project such as mass surveys). <p align="center">-End of Part II-</p>	

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	<p>Instructions for Part III</p> <p>Institutions should disclose how the segment's total indirect costs are identified and accumulated in specific indirect cost categories and allocated to applicable indirect cost pools and service centers within each major function or activity, how service center costs are accumulated and "billed" to users, and the specific indirect cost pools and allocation bases used to calculate the indirect cost rates that are used to allocate accumulated indirect costs to Federally sponsored agreements or similar final cost objectives. A continuation sheet should be used wherever additional space is required or when a response requires further explanation to ensure clarity and understanding.</p> <p>The following Allocation Base Codes are provided for use in connection with Items 3.1.0 and 3.3.0.</p> <ul style="list-style-type: none"> 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) ^{1/} Y. Other(s) ^{1/} Z. Category or Pool not applicable 	
	<p>^{1/} List on a continuation sheet, the category and subgrouping(s) of expense involved and the allocation base(s) used.</p>	

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3.1.0 Indirect Cost Categories - Accumulation and Allocation. This item is directed at the identification, accumulation and allocation of all indirect costs of the institution. (Under the column heading, "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each indirect cost category are identified, recorded and accumulated in the institution's formal accounting system. If "No," describe on a continuation sheet, how the cost elements included in the indirect cost category are identified and accumulated. Under the column heading "Allocation Base," enter one of the allocation base codes A through P, Y, or Z, to indicate the basis used for allocating the accumulated costs of each indirect cost category to other applicable indirect cost categories, indirect cost pools, other institutional activities, specialized service facilities and other service centers. Under the column heading "Allocation Sequence," insert 1, 2, or 3 next to each of the first three indirect cost categories to indicate the sequence of the allocation process. If cross-allocation techniques are used, insert "CA." If an indirect cost category listed in this section is not used, insert "NA.")

<u>Indirect Cost Category</u>	<u>Accumulation Method</u>	<u>Allocation Base Code</u>	<u>Allocation Sequence</u>
(a) Depreciation/Use Allowances/Interest			__1__
Building	<u>YES</u>	<u>L</u>	
Equipment	<u>YES</u>	<u>L</u>	
Capital Improvements to Land ^{1/}	<u>YES</u>	<u>P</u>	
Interest ^{1/}	<u>N/A</u>	<u>N/A</u>	
(b) Operation and Maintenance	<u>YES</u>	<u>L</u>	__2__
(c) General Administration and General Expense	<u>YES</u>	<u>D</u>	__3__
(d) Departmental Administration	<u>NO</u>	<u>D</u>	
(e) Sponsored Projects Administration	<u>YES</u>	<u>D</u>	
(f) Library	<u>YES</u>	<u>Y</u>	
(g) Student Administration and Services	<u>YES</u>	<u>A</u>	
(h) Other ^{1/}	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

^{1/} Describe on a Continuation Sheet.

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3.3.0	<p><u>Indirect Cost Pools and Allocation Bases</u></p> <p>(Identify all of the indirect cost pools established for the accumulation of indirect costs, excluding service centers, and the allocation bases used to distribute accumulated indirect costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable indirect cost pools, enter the applicable Allocation Base Code A through P, Y, or Z, to indicate the basis used for allocating accumulated pool costs to Federally sponsored agreements or similar cost objectives.)</p> <table border="0"> <thead> <tr> <th align="left"><u>Indirect Cost Pools</u></th> <th align="right"><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td colspan="2">A. Instruction</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td align="right"><u> D </u></td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td align="right"><u> D </u></td> </tr> <tr> <td><input type="checkbox"/> Other ^{1/}</td> <td align="right"><u> </u></td> </tr> <tr> <td colspan="2">B. Organized Research</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td align="right"><u> D </u></td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td align="right"><u> D </u></td> </tr> <tr> <td><input type="checkbox"/> Other ^{1/}</td> <td align="right"><u> </u></td> </tr> <tr> <td colspan="2">C. Other Sponsored Activities</td> </tr> <tr> <td><input checked="" type="checkbox"/> On-Campus</td> <td align="right"><u> D </u></td> </tr> <tr> <td><input checked="" type="checkbox"/> Off-Campus</td> <td align="right"><u> D </u></td> </tr> <tr> <td><input type="checkbox"/> Other ^{1/}</td> <td align="right"><u> </u></td> </tr> <tr> <td colspan="2">D. Other Institutional Activities ^{1/}</td> </tr> <tr> <td></td> <td align="right"><u> D </u></td> </tr> </tbody> </table>	<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<input checked="" type="checkbox"/> On-Campus	<u> D </u>	<input checked="" type="checkbox"/> Off-Campus	<u> D </u>	<input type="checkbox"/> Other ^{1/}	<u> </u>	B. Organized Research		<input checked="" type="checkbox"/> On-Campus	<u> D </u>	<input checked="" type="checkbox"/> Off-Campus	<u> D </u>	<input type="checkbox"/> Other ^{1/}	<u> </u>	C. Other Sponsored Activities		<input checked="" type="checkbox"/> On-Campus	<u> D </u>	<input checked="" type="checkbox"/> Off-Campus	<u> D </u>	<input type="checkbox"/> 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>																															
	<p>^{1/} Describe on a Continuation Sheet.</p>																															

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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 benefitting 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>	
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. <input checked="" type="checkbox"/> Yes</p> <p>B. <input type="checkbox"/> No ^{1/}</p>	
<p>^{1/} Describe on a Continuation Sheet.</p>		

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3.1.0	<u>Indirect Cost Categories - Accumulation and Allocation</u>	
	<p>Note: For the University's purpose, indirect costs (F&A) are those costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, instructional activity, or other institutional activity. Indirect cost expenditures are recorded and accumulated as current funds expenditures in the University's financial accounting system. To the extent possible, activities and related expenditures associated with general departmental or divisional operations and administrative support functions are accounted for in separate indirect activities account/funds. However, because the financial system was designed on Generally Accepted Accounting Principles rather than for 2 CFR PART 200 and Cost Accounting Standards, some regrouping of recorded cost is necessary to meet 2 CFR PART 200 requirements.</p>	
	<p>(a) Depreciation/Use Allowance/Interest</p>	
	<ul style="list-style-type: none"> • Buildings: The University's financial accounting system records the collective capitalization value of buildings, taking into consideration total federal contributions. Building depreciation is calculated on a building by building basis, and the charge is allocated on the functional usage of space for each building (That is, depreciation on buildings used exclusively in the conduct of a single function, is assigned to that function. Depreciation on buildings used for more than one function is allocated to the individual functions performed in each building on the basis of usable square feet of space, excluding common areas such as hallways, stair wells, and rest rooms. The cost of each jointly used unit of space is allocated to the benefiting individual or major function based on full-time equivalents {FTEs} or salaries or wages). The building depreciation cost pools contain the calculated depreciation charge based on historical cost for all buildings at MSU. Building improvement depreciation charges are allocated on an FTE basis. The cost accounting system uses this information to calculate depreciation in accordance with 2 CFR PART 200. (Please see continuation sheet 3.4.0 for additional information.) 	

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3.1.0 (cont.)	<ul style="list-style-type: none"> • Equipment: The University's financial accounting system records the capitalized value of equipment for the allocation of equipment depreciation charges. The total equipment depreciation cost pool contains the calculated depreciation for all equipment at MSU with a unit cost greater than \$5,000 and a useful life of one year or more. The majority of equipment is allocated on a department by department basis using department codes and are ultimately allocated by usage of space (square footage) where equipment is used jointly by more than one function (as determined by users of the space). However, Veterinary Medicine equipment is allocated based upon the space of the Veterinary Medicine building because department codes were unavailable. The cost accounting system uses this information to calculate depreciation in accordance with 2 CFR PART 200. (Please see continuation 3.4.0 for additional information.) • Improvements other than Buildings: The costs of capitalized improvements other than buildings are recorded in the University's financial accounting system and are allocated to user categories of students and employees on a FTE basis. The costs allocated to the student category shall be assigned to the instruction function of the institution. The employee portion shall be allocated to the major function of the institution in proportion to the salaries and wages of all employees applicable to those functions. The cost accounting system uses this information to calculate depreciation expense in accordance with 2 CFR PART 200. <p>(d) Departmental Administration Expenses</p> <p>These expenses are identified as administrative and supporting services costs that benefit common or joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units. These costs are not specifically broken out in the University's financial system; however, various figures from the financial statement are extracted and used within the cost accounting system to calculate departmental administrative expenses. These costs are allocated using the Modified Total Direct Cost Basis. (Please see continuation item 3.4.0 for more information.)</p>	

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3.1.0 (cont.)	<p>(f) Library Expenses</p> <p>These expenses have been incurred for the operation of the library, including cost of books and library materials purchased for the library, less any items of library income that qualify as applicable credits 2 CFR PART 200 plus an allocable share of depreciation, interest, O&M and general administration and general expense. The costs are identified to either faculty, students or other users based on FTE. Those costs identified to faculty are then allocated to either the instruction or organized research or other sponsored activity cost pools based on salaries and wages for each cost pool. Those costs identified to students are allocated to instruction. The costs identified to other users are allocated to other institutional activity. Costs are identified, recorded and accumulated in the University's financial system.</p>																															
3.4.0	<p><u>Composition of Indirect Cost Pools</u></p> <p>3.1.0 (a) Depreciation/Use Allowance/Interest</p> <p>Buildings: The University's financial accounting system records the collective capitalization value of buildings. Building depreciation charges are calculated on a building by building basis using the straight-line method over a period of 40 years and a salvage value of 20%. Any federal contributions to a building are deducted prior to calculating depreciation.</p> <p>Equipment: The University's financial accounting system records the capitalized value of equipment for the allocation of equipment depreciation charges. The total equipment depreciation cost pool contains the calculated depreciation for all equipment at MSU with a unit cost greater than \$5,000 and a useful life of one year or more. A schedule of depreciation taken by category of equipment follows:</p> <table border="0" data-bbox="186 1218 1055 1596"> <tr><td>Computer Equipment</td><td>3 years</td><td>1%</td></tr> <tr><td>F5 Furniture and Equipment</td><td>5 years</td><td>1%</td></tr> <tr><td>F10 Furniture and Equipment</td><td>10 years</td><td>1%</td></tr> <tr><td>F15 Furniture and Equipment</td><td>15 years</td><td>1%</td></tr> <tr><td>Cars & Trucks-Low Use</td><td>5 years</td><td>10%</td></tr> <tr><td>Cars & Trucks-High Use</td><td>3 years</td><td>10%</td></tr> <tr><td>Other Transportation</td><td>10 years</td><td>10%</td></tr> <tr><td>H5 Heavy/Outdoor Equipment</td><td>5 years</td><td>5%</td></tr> <tr><td>H10 Heavy/Outdoor Equipment</td><td>10 years</td><td>5%</td></tr> <tr><td>H15 Heavy/Outdoor Equipment</td><td>15 years</td><td>5%</td></tr> </table> <p>Equipment purchased with federal funds is excluded from the depreciation calculation. Equipment is categorized in the financial statement by departments: Mississippi State University (MSU), Mississippi State Chemical Laboratory, Mississippi Agriculture & Forestry Experiment Station (MAFES), Forest & Wildlife Research Center (FWRC), Mississippi State University Extension Service (MSUES), and the College of Veterinary Medicine (CVM).</p>		Computer Equipment	3 years	1%	F5 Furniture and Equipment	5 years	1%	F10 Furniture and Equipment	10 years	1%	F15 Furniture and Equipment	15 years	1%	Cars & Trucks-Low Use	5 years	10%	Cars & Trucks-High Use	3 years	10%	Other Transportation	10 years	10%	H5 Heavy/Outdoor Equipment	5 years	5%	H10 Heavy/Outdoor Equipment	10 years	5%	H15 Heavy/Outdoor Equipment	15 years	5%
Computer Equipment	3 years	1%																														
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F10 Furniture and Equipment	10 years	1%																														
F15 Furniture and Equipment	15 years	1%																														
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Cars & Trucks-High Use	3 years	10%																														
Other Transportation	10 years	10%																														
H5 Heavy/Outdoor Equipment	5 years	5%																														
H10 Heavy/Outdoor Equipment	10 years	5%																														
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Item No.	Item description	Revision #4, Effective 05/01/2015
3.4.0 (cont.)	<p>Improvements Other than Buildings: Improvements other than Buildings are categorized by department (MSU, MAFES, FWRC, MSUES, CVM) and may include but are not limited to costs such as paved parking lots, fences, sidewalks, etc. that are not included in the cost of the building. Improvements other than Buildings are depreciated over a period of 20 years with a salvage value of 20%.</p> <p>Operation and Maintenance Expenses</p> <p>O&M cost pools are split into two categories - 'Department Paid O&M' and 'Campus Academic & Agriculture O&M'. These costs have been incurred for the administration, supervision, operation, maintenance, preservation, and protection of the institutions physical plant. The expenses normally are incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; disaster preparedness; environmental safety; hazardous waste disposal; property, liability and all other insurance relating to property; space and capital leasing; facility planning and management; and central receiving. The O&M expense category also includes its allocable share of salaries & wages, fringe benefit costs, materials & supplies and depreciation. Department paid O&M includes operations and maintenance costs paid at departmental level. O&M expense codes such as utilities, maintenance, rental payments, custodial, etc. have been reclassified to O&M. All auxiliary O&M costs are also included in this "department paid" category; however, these costs are not collected into the O&M pool for allocation to instruction or research. This pool also includes the O&M for the Research and Extension centers located around the state.</p> <p>3.1.0 (c) General Administration and General Expenses</p> <p>Includes all costs associated with the general executive and administrative offices of the University. These costs also include their allocable share of depreciation, and Operation and Maintenance expenses. Unallowable costs as defined in 2 CFR PART 200 have been reclassified. Expenses such as the President's office, Controller & Treasury Services, Business Services, Budget and Planning, Human Resources Management, Administrative Data Processing, Office of the General Counsel are included in this category. Mississippi State University participates in the Statewide Cost Allocation Plan, whereby the University remits a prorated share of indirect cost recoveries to the state Department of Finance and Administration. This remittance is used as reimbursement to the state for the administration of various federally mandated laws and regulations. The state central service costs for the current fiscal year are combined with the costs of operation of the institution for that particular fiscal year and claimed using the appropriate federal guidelines.</p>	

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3.4.0 (cont.)	<p>3.1.0 (d) Departmental Administration</p> <p>Includes the costs incurred for administration and supporting service that benefit common or joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units. A unique DA cost pool is established for each academic department. Within each of these cost pools, five separate components are calculated:</p> <ol style="list-style-type: none"> 1) Professional Administrative Salaries 2) General Support/Clerical salaries and wages 3) Faculty and Professional salaries and wages (3.6% administration per 2 CFR PART 200) 4) A prorated share of employee benefits 5) Other General expenses <p>Described as follows:</p> <p>Administration and General Support Salaries and Wages - The first two components, Administrative and General Support/Clerical salaries and wages are determined through a review of the institution's payroll system. Job positions for each academic department which are defined as pure administrative (e.g. business managers, accountants, etc.) and have been charged to the general operating account of the department are categorized as 100 percent departmental administration.</p> <p>Job positions for each academic department which are defined as General Support (e.g. secretaries, laboratory aides, student help, etc.) or Faculty and Professional (e.g. professors, departmental chairmen, laboratory directors, scientists, graduate and research assistants, etc.) and have been direct-charged to sponsored research agreements, are used to calculate a direct charge equivalent (DCE). The DCE ratio is defined as general support salaries and wages charged to sponsored research agreements divided by faculty and professional salaries and wages charged to sponsored research agreements. The DCE ratio is computed on a department by department basis.</p> <p>The DCE ratio is then compared to the ratio of actual general support salaries and wages to actual faculty and professional salaries and wages (less an estimate of the 3.6 percent faculty administrative allowance) which have been charged to each department's general operating account.</p> <p>When the DCE ratio is less than the ratio calculated for the general operating account for a given department, an excess or residual of general support salaries and wages exists within the general operating account. The excess is treated as pure Departmental Administration and is transferred to the DA cost pool. When the DCE ratio is greater than the ratio calculated for the general operating account, no excess exists and no transfer is made to the DA cost pool.</p> <p>Faculty and Professional Salaries and Wages -Are determined by taking the modified total direct costs (MTDC), less the administrative and general support salaries and wages identified as pure departmental administration, and multiplying by the 3.6 percent Faculty Administrative Allowance (FAA). The salary and wage portion of F&P is then calculated by dividing the FAA by one plus the academic employee benefit rate. The resulting amount of faculty and professional salaries and wages is then transferred from the general operating account to the DA cost pool.</p>	

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Item No.	Item description	Revision #4, Effective 05/01/2015
3.4.0 (cont.)	<p>Employee Fringe Benefits - Employee benefits are determined by multiplying the benefit rate for the department to the Administrative and General Support salaries and wages reclassified as DA. These amounts are then discounted by the 3.6 percent FAA before they are transferred to the DA cost pools.</p> <p>Other General Expense - Other general expense is also determined through the DCE methodology. The DCE applicable to other general expense is defined as other general expense charged to sponsored agreements divided by total salaries and wages charged to sponsored agreements. The DCE ratio for other general expense is computed on a department by department basis.</p> <p>The DCE ratio for other general expense is then compared against the actual other general expense and the actual total salaries and wages (less 3.6 percent faculty administrative allowance) which have been charged to each department's general operating account.</p> <p>When the DCE ratio for other general expense is less than the ratio calculated for the general operating account, an excess or residual of other General Expense exists within the general operating account. The excess is treated as pure Departmental Administration and is transferred to the DA cost pool. When the DCE ratio for Other General Expense is greater than the ratio calculated for the general operating account, no excess exists and no transfer is made to the DA cost pool.</p> <p>3.1.0 (e) Sponsored Projects Administration</p> <p>Includes all costs associated with the Vice President for Research, Sponsored Programs Accounting, the Office of Sponsored Programs Administration, Institutional Review Board for the Protection of Human Subjects (IRB), and Environmental Safety Office at Mississippi State University. Sponsored projects include sponsored instruction, sponsored research and other sponsored activities. These costs are incurred by a separate organization(s) primarily established to administer sponsored projects, including such functions as grant and contract administration, intellectual property, special security, purchasing, personnel, administration and editing and publishing of research and other reports. They include salaries, benefits and expenses of the head of such an organization, assistants, and immediate staff, together with the salaries, benefits and expenses of personnel engaged in supporting activities of such an organization, plus an allocable share of depreciation, interest, O &M, and general administration and general expense.</p> <p>3.1.0 (f) Library</p> <p>Library costs include all expenditures associated with running and maintaining the MSU library system (main and branch locations), which include salaries, wages, fringe benefits, and expenditures incurred for the purchase of new books and library materials, less applicable credits, plus an allocable share of depreciation, interest, O & M, general administration and general expense.</p> <p>3.1.0 (g) Student Administration Services</p> <p>These costs have been incurred for the administration of student affairs and for services to students, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisers, student health and infirmary services, catalogs, and commencements and convocations plus an allocable share of depreciation, interest, operation and maintenance, general administration and expense, and department administration.</p>	

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Item No.	Item description	Revision #4, Effective 05/01/2015
3.4.0 (cont.)	<p>3.2.0 (c) Animal Care Facilities</p> <p>The expenses under this heading are those that have been incurred for the management and administration of a centralized program of laboratory animal care, including costs for daily animal care, purchase of live vertebrates from acceptable sources, quarantine and conditioning, housing, feeding, watering animals, cage and facility sanitation, veterinary care, research services including surgical assistance and monitoring, and training of personnel involved in the care and use of animals for research or teaching.</p>	
3.5.0	<p><u>Composition of Allocation Bases.</u></p> <p>L - Square Footage.</p> <p>Buildings: This cost basis uses net assignable square footage by building, which is categorized into functional cost groupings on a building by department by room basis. All usable square footage benefitting direct and indirect activities is included. Common areas such as hallways, stairwells and restrooms are excluded. The square footage of a given room is assigned to direct and indirect cost objectives based on a survey of the space usage of the room during the fiscal year or, in the absence of survey data, based on salaries and wages.</p> <p>Equipment: Uses the net assignable square footage on equipment usage on a department by department basis. The costs are further assigned and allocated to the sponsored project, instructional activity, or any other institutional activity as determined by a space survey completed by the department head or persons directly knowledgeable of usage of occupied space.</p> <p>Operation & Maintenance: Operations and Maintenance costs identifiable to a particular building are allocated to the department and further to the specific individual function using the data as determined by a space survey completed by department head or persons directly knowledgeable of usage of occupied space.</p> <p>D - Modified Total Direct Cost Basis 3.1.0 (c) (d) (e), 3.3.0</p> <p>(General Administration, Department Administration, and Sponsored Projects Administration, Instruction on/off campus, Research on/off campus). All direct salaries and wages, fringe benefits, materials and supplies, services, travel, and sub-grants and subcontracts up to the first \$25,000 of each sub-grant or subcontract are included. Also, agreements issued under the Uniform Guidance will exclude participant support costs from MTDC. Direct equipment, capital expenditures, charges for patient care, tuition remission, rental costs, scholarships, and fellowships as well as the portion of each sub-grant and subcontract in excess of \$25,000 are excluded from the MTDC. Other items, such as costs of goods sold, are excluded where necessary to avoid a serious inequity in the distribution of indirect costs. Service centers charges are included in the base. (Student Administration and Services). One hundred percent of the Student Services Administration cost pool is allocated to the Instruction cost pool.</p>	

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3.5.0 (cont.)	<p>Y - Other 3.1.0 (f) (Library) The costs are identified to either faculty, students or other users based on FTE. Those costs identified to faculty are then allocated to either the instruction, organized research or other sponsored activity cost pools based on the salaries and wages for each cost pool. Those costs identified to students are allocated 100 percent to instruction. The costs identified to other users are allocated to other institutional activities. The FTE for other users is based proportionately on the population in and around the Starkville area.</p> <p>P - More than one base 3.1.0 (a) (Capital Improvement to Land) These costs are assigned and allocated to students and employees on a FTE basis. The student portion is allocated to the instruction function of the institution and the employee portion is further allocated to the major functions of the institution in proportion to the salaries and wages of all employees applicable to those functions.</p> <p align="center">-End of Part III-</p>	

**COST ACCOUNTING STANDARDS BOARD
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PART IV - EPRECIATION AND USE ALLOWANCES

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
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Part IV

4.1.0 Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives. (For each asset category listed below, enter a code from A through C in Column (1) describing the method of depreciation; a code from A through D in Column (2) describing the basis for determining useful life; a code from A through C in Column (3) describing how depreciation methods or use allowances are applied to property units; and Code A or B in Column (4) indicating whether or not the estimated residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column (1) only, if an asset category is not applicable.)

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

Column (1)--Depreciation Method Code

- A. Straight Line
- B. Expensed at Acquisition
- C. Use Allowance
- Y. Other or more than one method ^{1/}

Column (2)--Useful Life Code

- A. Replacement Experience
- B. Term of Lease
- C. Estimated service life
- D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21
- Y. Other or more than one method ^{1/}

Column (3)--Property Unit Code

- A. Individual units are accounted for separately
- B. Applied to groups of assets with similar service lives
- C. Applied to groups of assets with varying service lives
- Y. Other or more than one method ^{1/}

Column (4)--Residual Value Code

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

^{1/} Describe on a Continuation Sheet.

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PART IV - DEPRECIATION AND USE ALLOWANCES

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Item No.	Item description	Revision #4, Effective 05/01/2015
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"/> No ^{1/}</p>	
4.2.0	<p>Fully Depreciated Assets. 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>Treatment of Gains and Losses on Disposition of Depreciable Property. 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 agreement costs B. <input checked="" 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"/> Other(s) ^{1/} Z. <input type="checkbox"/> Not applicable</p>	
4.4.0	<p>Criteria for Capitalization. (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 \$5,000 B. Minimum Life Years 1 year</p>	
4.5.0	<p>Group or Mass Purchase. 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 type="checkbox"/> Yes ^{1/} B. <input checked="" type="checkbox"/> No</p>	
<p>^{1/} Describe on a Continuation Sheet.</p>		

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PART V - OTHER COSTS AND CREDITS

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
Part V		
5.1.0	<p>Method of Charging Leave Costs. 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. ___ Cash</p> <p>B. <u> X </u> Accrual ^{1/}</p>	
5.2.0	<p>Applicable Credits. This item is directed at the treatment of "applicable credits" as defined in Section C of OMB Circular A-21 and other incidental receipts (e.g., purchase discounts, insurance refunds, library fees and fines, parking fees, etc.). (Indicate how the principal types of credits and incidental receipts the institution receives are usually handled.)</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. ___ The credits/receipts are handled as a general adjustment to the indirect pool.</p> <p>C. ___ The credits/receipts are treated as income and are not offset against costs.</p> <p>D. ___ Combination of methods ^{1/}</p> <p>Y. ___ Other ^{1/}</p> <p>^{1/} Describe on a Continuation Sheet.</p>	

**COST ACCOUNTING STANDARDS BOARD
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**PART VI - DEFERRED COMPENSATION AND
INSURANCE COSTS**

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
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Instructions for Part VI

This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits) and insurance. Some organizations may incur all of these costs at the main campus level or for public institutions at the governmental unit level, while others may incur them at subordinate organization levels. Still others may incur a portion of these costs at the main campus level and the balance at subordinate organization levels.

Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to Federally sponsored agreements are material, and the reporting unit does not have access to the information needed to complete an item, the reporting unit should require that entity to complete the applicable portions of this Part VI. (See item 4, page (i), General Instructions)

6.1.0 Pension Plans.

6.1.1 Defined-Contribution Pension Plans. Identify the types and number of pension plans whose costs are charged to Federally sponsored agreements. (Mark applicable line(s) and enter number of plans.)

	<u>Type of Plan</u>	<u>Number of Plans</u>
A. <u> X </u>	Institution employees participate in State/Local Government Retirement Plan(s)	<u> 2 </u>
B. <u> </u>	Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	<u> </u>
C. <u> </u>	Institution has its own Defined-Contribution Plan(s) ^{1/}	<u> </u>

6.1.2 Defined-Benefit Pension Plan. (For each defined-benefit plan (other than plans that are part of a State or Local government pension plan) describe on a continuation sheet the actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)

^{1/} Describe on a Continuation Sheet.

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**PART VI - DEFERRED COMPENSATION AND
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MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
6.2.0	<p>Post Retirement Benefits Other Than Pensions (including post retirement health care benefits) (PRBs). (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 checked="" type="checkbox"/> Not Applicable</p>	
6.2.1	<p>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 used, including actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)</p>	
6.3.0	<p>Self-Insurance Programs (Employee Group Insurance). 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) B. <input type="checkbox"/> When contributions are made to a nonforfeitable fund C. <input type="checkbox"/> When contributions are made to a forfeitable fund D. <input type="checkbox"/> When the benefits are paid to an employee E. <input type="checkbox"/> When amounts are paid to an employee welfare plan Y. <input type="checkbox"/> Other or more than one method ^{1/} Z. <input checked="" type="checkbox"/> Not Applicable</p>	
6.4.0	<p>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance.)</p>	
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) B. <input type="checkbox"/> When provisions for reserves are recorded based on the present value of the liability C. <input type="checkbox"/> When provisions for reserves are recorded based on the full or undiscounted value, as contrasted with present value, of the liability D. <input checked="" type="checkbox"/> When funds are set aside or contributions are made to a fund Y. <input type="checkbox"/> Other or more than one method ^{1/} Z. <input type="checkbox"/> Not Applicable</p>	
<p>^{1/} Describe on a Continuation Sheet.</p>		

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PART VI - DEFERRED COMPENSATION AND
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Item No.	Item description	Revision #4, Effective 05/01/2015
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. ___ When losses are incurred (no provision for reserves)</p> <p>B. ___ When provisions for reserves are recorded based on replacement costs</p> <p>C. ___ When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles.</p> <p>D. ___ Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves)</p> <p>Y. ___ Other or more than one method ^{1/}</p> <p>Z. <u>X</u> Not Applicable</p>	
<p>^{1/} Describe on a Continuation Sheet.</p>		

COST ACCOUNTING STANDARDS BOARD
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PART VII - CENTRAL SYSTEM OR GROUP
EXPENSES

MISSISSIPPI STATE UNIVERSITY

Item No.	Item description	Revision #4, Effective 05/01/2015
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DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE.

Instructions for Part VII

This part should be completed only by the central system office or a group office of an educational system when that office is responsible for administering two or more segments, where it allocates its costs to such segments and where at least one of the segments is required to file Parts I through VI of the Disclosure Statement.

The reporting unit (central system or group office) should disclose how costs of services provided by the reporting unit are, or will be, accumulated and allocated to applicable segments of the institution. For a central system office, disclosure should cover the entire institution. For a group office, disclosure should cover all of the subordinate organizations administered by that group office.

7.1.0 Organizational Structure.

On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.

7.2.0 Cost Accumulation and Allocation.

On a continuation sheet, provide a description of:

- A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc.), in brief.
- B. How the costs of the services are identified and accumulated.
- C. The basis used to allocate the accumulated costs to the benefitting segments.
- D. Any costs that are transferred from a segment to the central system office or the intermediate administrative office, and which are reallocated to another segment(s). If none, so state.
- E. Any fixed management fees that are charged to a segment(s) in lieu of a prorata or allocation basis and the basis of such charges. If none, so state.

Item No.	Item description	Revision #4, Effective 05/01/2015
7.1.0	<p><u>Organizational Structure</u></p> <p>Mississippi State University (MSU) is one of eight public universities governed by the Board of Trustees of State Institutions of Higher Learning (IHL Board). The IHL Board was established by a constitutional amendment in 1943.</p> <p>The IHL Board is responsible for policy and financial oversight. This includes overseeing degree-credit courses, research and public service activities and programs at the eight public universities.</p> <p>The IHL Board governs MSU which is comprised of Mississippi State University-Main Campus and MSU Meridian, its satellite campus.</p> <p>MSU is a discretely presented component unit of the State of Mississippi Institutions of Higher Learning (the IHL System) in the State's comprehensive annual financial report.</p>	
7.2.0	<p><u>Cost Accumulation and Allocation</u></p> <p>A. The IHL Board provides general oversight of the University. The IHL Board is a state agency of Mississippi.</p> <p>B. The IHL Board bills each university for a portion of IHL Board's Legal and Audit fees.</p> <p>C. MSU's portion of the IHL Board's Legal and Audit fees are placed into the General Administration (GA) cost pool of MSU's F&A Cost Rate Proposal.</p> <p>D. None.</p> <p>E. None.</p> <p style="text-align: center;">-End of Part VII-</p>	