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

GENERAL INSTRUCTIONS

1. This Disclosure Statement has been designed to meet the requirements of Public Law 100-679, and persons completing it are to describe the educational institution and its cost accounting practices. For complete regulations, instructions, and timing requirements concerning submission of the Disclosure Statement, refer to Section 9903.202 of Chapter 99 of Title 48 CFR (48 CFR 9903).
2. Part I of the Statement provides general information concerning each reporting unit (e.g., segments, business units, and central system or group (intermediate administration) offices). Parts II through VI pertain to the types of costs generally incurred by the segment or business unit directly performing under federally sponsored agreements (e.g., contracts, grants, and cooperative agreements). Part VII pertains to the types of costs that are generally incurred by a central or group office and are allocated to one or more segments performing under federally sponsored agreements.
3. Each segment or business unit required to disclose its cost accounting practices should complete the Cover Sheet, the Certification, and Parts I through VI.
4. Each central or group office required to disclose its cost accounting practices for measuring, assigning, and allocating its costs to segments performing under Federally sponsored agreements should complete the Cover Sheet, the Certification, Part I, and Part VII of the Disclosure Statement. Where a central or group office incurs the types of cost covered by Parts IV, V, and VI, and the cost amounts allocated to segments performing under federally sponsored agreements are material, such office(s) should complete Parts IV, V, or VI for such material elements of cost. While a central or group office may have more than one reporting unit submitting Disclosure Statements, only one Statement needs to be submitted to cover the central or group office operations.
5. The Statement must be signed by an authorized signatory of the reporting unit.
6. The Disclosure Statement should be answered by marking the appropriate line or inserting the applicable letter code which describes the segment's (reporting unit's) cost accounting practices.
7. A number of questions in this Statement may need narrative answers requiring more space than is provided. In such instances, the reporting unit should use the attached continuation sheet provided. The continuation sheet may be reproduced locally as needed. The number of the question involved should be indicated, and the same coding required to answer the questions in the Statement should be used in presenting the answer on the continuation sheet. Continuation sheets should be inserted at the end of the pertinent Part of the Statement. On each continuation sheet, the reporting unit should enter the next sequential page number for that Part, and, on the last continuation sheet used, the words "End of Part" should be inserted after the last entry.
8. Where the cost accounting practice being disclosed is clearly set forth in the institution's existing written accounting policies and procedures, such documents may be cited on a continuation sheet and incorporated by reference. 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.

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

COVER SHEET AND CERTIFICATION

0.1 Educational Institution

- (a) Name Dartmouth College
Office of Grants & Contracts
(b) Street Address 11 Rope Ferry Road
(c) City, State, and ZIP Code Hanover, NH 03755
(d) Division or Campus of (if applicable) _____

0.2 Reporting Unit is: (Mark one.)

- A. _____ Independently Administered Public Institution
B. X 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) Name and Title Nancy J. Wray
Director, Office of Sponsored Projects
(b) Phone Number (include area code and extension) 603-646-3948

0.4 Statement Type and Effective Date:

- A. (Mark type of submission. If a revision, enter number.)
(a) _____ Original Statement
(b) X Amended Statement; Revision No. 1 per audit
B. Effective Date of this Statement: (Specify) 12/31/2004
/

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

- A. Cognizant Federal Agency: Department of Health and Human Services
Division of Cost Allocation
(Northeastern Field Office)
330 Independence Avenue, S.W.
Cohen Building, Room 1067
Washington, DC 20201
202-401-2808
B. Cognizant Federal Auditor: Department of Health and Human Services
Region I - Office of Inspector General
John F. Kennedy Federal Building, Room 1409
Boston, MA 02203
617-565-2712

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

COVER SHEET AND CERTIFICATION

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:

1/21/05

Adam M. Keller

(Signature)

Adam M. Keller

(Print or Type Name)

Executive Vice President for Finance and
Administration

(Title)

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

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

PART I - GENERAL INFORMATION

DARTMOUTH COLLEGE

Item
No.

Item Description

Part I

1.1.0 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.)

- A. _____ Accrual
B. X Modified Accrual Basis 1/
C. _____ Cash Basis
Y. _____ Other 1/

1.2.0 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.)

- A. _____ Integrated with financial accounting records. (Subsidiary cost accounts are all controlled by general ledger control accounts.)
B. _____ Not integrated with financial accounting records. (Cost data are accumulated on memorandum records.)
C. X Combination of A and B.

1.3.0 Unallowable Costs Costs that are not reimbursable as allowable costs under the terms and conditions of federally sponsored agreements are: (Mark one)

- A. _____ Specifically identified and recorded separately in the formal financial accounting records. 1/
B. _____ Identified in separately maintained accounting records or work papers. 1/
C. _____ Identifiable through use of less formal accounting techniques that permit audit verification. 1/
D. X Combination of A, B, or C. 1/
E. _____ Determinable by other means. 1/

1/ Describe on a Continuation Sheet.

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

PART I - GENERAL INFORMATION

DARTMOUTH COLLEGE

Item No.	Item Description
1.3.1	<u>Treatment of Unallowable Costs</u> (Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group office allocates costs to a segment.)
1.4.0	<u>Cost Accounting Period:</u> <u>7/1 to 6/30</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	<u>State Laws or Regulations</u> Identify on a continuation sheet any State laws or regulations which influence the institution's cost accounting practices, e.g., State administered pension plans, and any applicable statutory limitations or special agreements on allowance of costs.
	<u>1/</u> Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION
		DARTMOUTH COLLEGE
Item No.	Item Description	
1.1.0	<u>Description of Your Cost Accounting System</u> <p>The College's accounting system is based on the principles of fund accounting. Each federally sponsored agreement is assigned a separate account number in the financial accounting system. Direct costs such as salaries, supplies, and equipment charged to sponsored agreements during the fiscal year are generally charged using the cash basis of accounting. At year end, most expenses are accrued, including accounts payable and wages and fringe benefits of employees paid on a basis other than monthly (i.e., non-faculty and non-professional staff).</p>	
1.2.0	<u>Integration of Cost Accounting with Financial Accounting</u> <p>Direct costs charged to sponsored agreements are fully integrated with the College's financial accounting system. The amounts included in the College's facilities and administrative (F&A) cost pools are based on cost information generated by the financial accounting system. However, adjustments and reclassifications are needed to recast the information in the College's financial statements into the cost pools required by OMB Circular A-21. Also, as discussed in 3.1.0, the depreciation and non-capitalized interest pools and some of the costs in the departmental administration pool are not accumulated by the formal accounting system and must therefore be accumulated through cost-finding techniques or other calculations. The allocation of F&A costs and fringe benefits is accomplished through the formal accounting system.</p>	
1.3.0	<u>Unallowable Costs</u> <p>Costs deemed unallowable for federal reimbursement as described in Circular A-21 and/or as defined by the sponsoring agency are charged to specific subcodes and accounts within the financial accounting system. The subcodes carry either the description of "Federal Government Unallowable Expense" or a more specific description of the type of cost being incurred, such as advertising and promotion or principal and interest payments. In addition, the financial accounting system includes entire accounts that record the costs of organizational units whose functions are defined by Circular A-21 as unallowable. All unallowable costs are excluded from both direct and F&A costs charged to federally sponsored agreements. Periodic reviews to assure compliance with these policies are made by the College's internal audit staff.</p>	
1.3.1	<u>Treatment of Unallowable Costs</u> <p>All costs deemed unallowable for federal reimbursement by Circular A-21 and/or the sponsoring agency are excluded from both the direct and F&A costs charged to federally sponsored agreements. Unallowable directly associated costs as defined in CAS 505 are also excluded from charges to federally sponsored agreements. As required by CAS 505, where unallowable costs would normally be part of one or more F&A cost allocation bases, those costs remain in the bases.</p> <p>Unallowable activities are classified as Other Institutional Activities and receive allocations as part of the normal F&A cost allocation process. The classification of unallowable activities as Other Institutional Activities is required by section B.1.d of Circular A-21.</p>	
1.5.0	<u>State Laws or Regulations</u> <p>The College is a private institution; its cost accounting practices are therefore not affected by state laws or regulations, except in the case of state-funded activities.</p> <p>End of Part I.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART II - DIRECT COSTS DARTMOUTH COLLEGE
Item No.	Item Description
	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	<u>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For all major categories of cost under each major function or activity such as instruction, organized research, other sponsored activities, and other institutional activities, describe on a continuation sheet, your criteria for determining when costs incurred for the same purpose, in like circumstances, are treated either as direct costs only or as indirect costs only with respect to final cost objectives. Particular emphasis should be placed on items of cost that may be treated as either direct or indirect costs (e.g., Supplies, Materials, Salaries and Wages, Fringe Benefits, etc.) depending upon the purpose of the activity involved. Separate explanations on the criteria governing each direct cost category identified in this Part II are required. Also, list and explain if there are any deviations from the specified criteria.)
2.2.0	<u>Description of Direct Materials</u> All materials and supplies directly identified with federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the principal classes of materials which are charged as direct materials and supplies.)
2.3.0	<u>Method of Charging Direct Materials and Supplies</u> (Mark the appropriate line(s), and if more than one is marked, explain on a continuation sheet.)
2.3.1	<u>Direct Purchases for Projects are Charged to Projects at:</u> A. <input checked="" type="checkbox"/> Actual Invoiced Costs B. <input type="checkbox"/> Actual Invoiced Costs Net of Discounts Taken Y. <input type="checkbox"/> Other(s) <u>1/</u> Z. <input type="checkbox"/> Not Applicable
2.3.2	<u>Inventory Requisitions from Central or Common, Institution-owned Inventory</u> (Identify the inventory valuation method used to charge projects): A. <input type="checkbox"/> First In, First Out B. <input type="checkbox"/> Last In, First Out C. <input checked="" type="checkbox"/> Average Costs <u>1/</u> D. <input type="checkbox"/> Predetermined Costs <u>1/</u> Y. <input type="checkbox"/> Other(s) <u>1/</u> Z. <input type="checkbox"/> Not Applicable <u>1/ Describe on a Continuation Sheet.</u>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS DARTMOUTH COLLEGE																
Item No.	Item Description																	
2.4.0	<u>Description of Direct Personal Services</u> All personal services directly identified with federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal services 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	<u>Method of Charging Direct Salaries and Wages</u> (Mark the appropriate line(s) for each Direct Personal Services Category to identify the method(s) used to charge direct salary and wage costs to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, fully describe on a continuation sheet the applicable methods used.)																	
<table border="0" style="width: 100%;"> <tr> <td></td> <td colspan="4" style="text-align: center;"><u>Direct Personal Services Category</u></td> </tr> <tr> <td></td> <td style="text-align: center;"><u>Faculty</u></td> <td style="text-align: center;"><u>Staff</u></td> <td style="text-align: center;"><u>Students</u></td> <td style="text-align: center;"><u>Other 1/</u></td> </tr> <tr> <td></td> <td style="text-align: center;">(1)</td> <td style="text-align: center;">(2)</td> <td style="text-align: center;">(3)</td> <td style="text-align: center;">(4)</td> </tr> </table>					<u>Direct Personal Services Category</u>					<u>Faculty</u>	<u>Staff</u>	<u>Students</u>	<u>Other 1/</u>		(1)	(2)	(3)	(4)
	<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)	<u> X </u>	<u> X </u>	<u> </u>														
B.	Plan - Confirmation (Budgeted, planned, or assigned work activity, updated to reflect significant changes)	<u> X </u>	<u> X </u>	<u> X </u>														
C.	After-the-fact Activity Records (Percentage Distribution of employee activity)	<u> </u>	<u> </u>	<u> </u>														
D.	Multiple Confirmation Records (Employee Reports prepared each academic term, to account for employee's activities, direct and indirect charges are certified separately.)	<u> </u>	<u> </u>	<u> </u>														
Y.	Other(s) 1/	<u> </u>	<u> </u>	<u> </u>														
1/ Describe on a Continuation Sheet.																		

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS
		DARTMOUTH COLLEGE
Item No.	Item Description	
2.5.1	<p><u>Salary and Wage Cost Distribution Systems.</u></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><u> X </u> Yes <u> </u> No</p>	
2.5.2	<p><u>Salary and Wage Cost Accumulation System.</u></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 Benefit 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 all 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><u>Method of Charging Direct Fringe Benefits</u> (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>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART II - DIRECT COSTS <hr/> DARTMOUTH COLLEGE
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Item No.	Item Description																								
2.8.0	<p><u>Cost Transfers.</u> When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants, or contracts, is the credit amount for direct personal services, materials, other direct charges, and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project? (Consider transactions where the original charge and the credit occur in different cost accounting periods). (Mark one. If "No", explain on a continuation sheet how the credit differs from original charge.)</p> <div style="margin-left: 40px;"> <div style="display: inline-block; text-align: center; width: 100px;"> <u> </u> Yes <u> X </u> No </div> </div>																								
2.9.0	<p><u>Interorganizational Transfers</u> This item is directed only to those materials, supplies, and services which are, or will be, transferred to you from other segments of the educational institution. (Mark the appropriate line(s) in each column to indicate the basis used by you as transferee to charge the cost or price of interorganizational transfers of 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 style="width: 100%; margin-top: 20px;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">Materials (1)</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">Supplies (2)</th> <th style="width: 15%; text-align: center; border-bottom: 1px solid black;">Services (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 style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td>B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td>C. At established catalog or market price or prices based on adequate competition.</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td>Y. Other(s) <u>1/</u></td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td>Z. Interorganizational transfers are not applicable.</td> <td style="text-align: center; border-bottom: 1px solid black;">X</td> <td style="text-align: center; border-bottom: 1px solid black;">X</td> <td style="text-align: center; border-bottom: 1px solid black;">X</td> </tr> </tbody> </table> <p style="margin-top: 20px;"><u>1/</u> Describe on a Continuation Sheet.</p>		Materials (1)	Supplies (2)	Services (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 price or prices based on adequate competition.	_____	_____	_____	Y. Other(s) <u>1/</u>	_____	_____	_____	Z. Interorganizational transfers are not applicable.	X	X	X
	Materials (1)	Supplies (2)	Services (3)																						
A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	_____	_____	_____																						
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS
		DARTMOUTH COLLEGE
Item No.	Item Description	
2.1.0	<p><u>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u></p> <p>The College follows the general guidelines in sections D and E of Circular A-21 in determining the treatment of costs as either direct costs or F&A costs. Direct costs are those costs that can be identified specifically with a particular organized research activity, other sponsored activity, instructional activity, or other institutional activity, or are those costs that can be directly assigned to such activities with relative ease and with a high degree of accuracy. Conversely, costs incurred for common or joint objectives that cannot be identified readily and specifically with a particular organized research activity, other sponsored activity, instructional activity, or other institutional activity are treated as F&A costs. The College's F&A costs are consistent with the definitions of specific F&A cost categories in section F of Circular A-21. The College also follows the guidelines in section F.6.b of Circular A-21, which specify the normal treatment of certain costs commonly, incurred by academic departments and organized research units.</p> <p>Every effort is made to classify costs incurred for the same purpose, in like circumstances, consistently as either direct costs or F&A costs. As cited later in this section, specific policies have been established by the College to help accomplish this objective. The size, nature, and complexity of sponsored agreements, although not the final determining factors, are, in the aggregate, important considerations in determining "unlike circumstances." Due to the unique requirements of each sponsored agreement, "unlike circumstances" are determined on a case by case basis.</p> <p>Within academic departments, major cost categories are treated as follows:</p> <p>The portions of salaries and fringe benefits of faculty, professional staff (e.g., research associates, post-doctorate fellows, and project managers), technicians, lab assistants, and graduate and undergraduate students associated with effort on organized research activities, other sponsored activities, instructional activities, or other institutional activities are treated as direct costs if they meet the requirements in section D.1 of Circular A-21. Tuition remission for graduate students involved with research and instructional activities is treated as a direct cost. The salaries and fringe benefits of faculty and professional staff associated with administrative activities are treated as F&A costs.</p> <p>The salaries and fringe benefits of administrative and clerical staff are normally treated as F&A costs, as required by section F.6.b of Circular A-21. However these costs are treated as direct costs when the nature of the work performed under a particular project requires an extensive amount of administrative or clerical support, and the costs meet the general criteria for direct charging in Circular A-21 (i.e., the costs can be identified specifically with a project). These situations are considered to be "unlike circumstances" under CAS 502 and are also described in A-21, Exhibit C.</p> <p>The costs for direct supplies and materials enumerated in section 2.2.0 that are identifiable to organized research activities, other sponsored activities, instructional activities, or other institutional activities are treated as direct costs if they meet the requirements in section D.1 of Circular A-21.</p> <p>The costs of travel, consulting and professional services, long-distance telephone expenses (telephone services provided by the Mary Hitchcock Memorial Hospital which is a purchased service/not a Dartmouth utility), and other items enumerated in section 2.7.0 that are identifiable to organized research activities, other sponsored activities, instructional activities, or other institutional activities are treated as direct costs if they meet the requirements in section D.1 of Circular A-21. Specific unallowable costs in this category are segregated and excluded from sponsored agreements and F&A cost rate calculations.</p> <p>The costs of office supplies, postage, local telephone expenses, and memberships are treated as F&A costs, except for conditions considered "unlike circumstances" under CAS 502.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS
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	<p>Special maintenance and repair costs involving internal building operations and equipment that are identifiable to organized research activities, other sponsored activities, instructional activities, or other institutional activities are treated as direct costs if they meet the requirements in section D.1 of Circular A-21. Such costs are excluded from the operations and maintenance F&A cost pool. All other maintenance and repair costs are included in the operations and maintenance F&A cost pool. Rent and other facility costs of off-campus facilities used to conduct research or other direct cost objectives are also treated as direct costs.</p> <p>As indicated above, the College's policies permit direct charges for administrative and clerical salaries, office supplies, postage, local telephone expenses, and memberships only under exceptional circumstances consistent with section F.6.b2 of Circular A-21 and the Exhibit C. In implementing these policies, the College in consultation with the principal investigators determines whether exceptional circumstances exist for a particular project as guided by and requires that by A-21 Exhibit C. Proposed direct charges for these costs are fully justified to sponsoring agencies in grant applications and contract proposals.</p> <p>The College has in place criteria for determining allowable and allocable costs based on OMB Circular A-21 and review procedures by research administrators before the proposal budget justification is approved and signed off by an institutional official. When the award has been made to the institution, procedures are in place to monitor and approve costs for allowability, allocability, and reasonableness. Within the institutions general ledger system each "item/transaction" of cost has a subcode associated with each "type/description" of cost so this monitoring activity is easily accomplished.</p> <p>"Case-by-case basis" described reviewing and making the determination if the project is a "Major-Project" as described in A-21 – Exhibit C and CAS 502.</p> <p>To assure consistent treatment of costs between sponsored agreements and non-sponsored agreements, Direct Charge Equivalents (DCE) are used to assign an appropriate amount of departmental general fund expenses (e.g., general support salaries, travel, long-distance telephone expenses, etc.) directly to instruction and other non-sponsored direct cost objectives. DCE's are mathematical formulas that estimate the portion of general fund expenses that should be assigned directly to non-sponsored activities and the portion that should be included in the departmental administration F&A cost pool. (See description of the accumulation of departmental administration expenses in 3.1.0). The use of DCE's is a long established accounting convention at academic institutions designed to help achieve the consistent treatment of costs as required by Circular A-21 and CAS 502 and, at the same time, recognize the generally accepted accounting practices of the institutions. The DCE preferred methodology can be</p> <p>The formula driven methodology is used to calculate a portion of the DA rate component. A unique DA cost pool is established for each academic department. Within each of these cost pools, five separate components are calculated: 1) 100% Admin salaries/wages, 2) DCE for General Support salaries/wages, 3) 3.6% Faculty and Professional salaries/wages, 4) Pro-rated share of employee benefits, 5) Pro-rated for other operating supplies and expense. The preferred DCE Methodology described is within the <u>Review Guide for Long-Form University Facilities & Administrative Cost Proposals</u>, Exhibit A.</p>	
2.2.0	<u>Description of Direct Materials</u> The major categories of materials and supplies that are directly charged to organized research activities, other sponsored activities, instructional activities, or other institutional activities include chemicals, glassware, drugs, animals, minor equipment, books and periodicals, computer software and supplies, laboratory gases, laboratory supplies and tools, medical supplies, museum exhibition installation supplies, photographic supplies, shop materials, tools, and uniforms.	
2.3.2	<u>Inventory Requisitions from Central or Common, Institution-owned Inventory</u> The inventory in the Central Stores is valued on an average cost basis. The total inventory value for each stock item is the sum of the costs for that item. The cost of a single unit is determined by dividing the total cost for that item by the number of units on hand.	

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2.4.0	<u>Description of Direct Personal Services</u> Direct charges for personal services include the salaries and fringe benefits of faculty, professional staff (e.g., research associates, post-doctorate fellows, and project managers), technicians, lab assistants, and graduate and undergraduate students. The salaries and fringe benefits of administrative and clerical staff are charged directly under the conditions described in 2.1.0. Graduate student tuition remission is treated as a separate direct charge to the appropriate cost objectives.	
2.5.0	<u>Method of Charging Direct Salaries and Wages</u> Staff and students paid as salaried employees are charged using the Plan - Confirmation Method. Staff and students paid hourly wages are charged using the Payroll Distribution Method, which is based on individual time sheets. The distinction between these types of employees is based on the nature of the work performed.	
2.5.2	<u>Salary and Wage Cost Accumulation System.</u> Compensation for all employees, except hourly paid student workers, is initiated by a Dartmouth College-Personnel/Payroll Authorization (PA) form. Information on this form includes employee name, employee number, department, inter-office mailing address, job title, grade/rank, appointment months, full-time equivalent (FTE) percentage, social security number, date of hire, effective date of PA, end date (if applicable), account name, new account number(s), former account number(s), expense class (subcode), annualized salary, monthly/hourly rate, labor distribution, authorized signatures. Multiple accounts may be used for an employee as appropriate. A new PA is initiated to change distribution, FTE, salary, and/or account distribution. In cases where the distribution of salary is changed and there is not an increase or decrease in salary, a Dartmouth College Labor Distribution Change form may be used. This form reports the employee name, coordinator number, assignment designation number, fiscal year, position number, effective date, ending date, new account distribution, account description, account number with subcode, percentage of effort, percentage of distribution, and the authorized signatures and employee signature. The College annually verifies all salary distribution on sponsored agreements through a normal salary adjustment process. This annual verification is signed by a responsible official with suitable means of determining that the work was performed and the salary charges are reasonable. Also, on an annual basis both at the grant account level and employee level there are salary reports that are signed verifying reasonableness of salary distribution. This process is consistent with the requirements in section J.8.c of Circular A-21. Finally, the College's payroll distribution system has also been approved by the Department of Health and Human Services (DHHS). Non-exempt employees and student workers paid an hourly wage prepare time sheets on a bi-monthly basis. The time sheet is the source document used to calculate payroll for a given pay period. The Human Resource Management System (HRMS) generates Time Turnaround Documents (TTD), which departments use to confirm planned account distribution(s) by employee prior to the pay date. TTD's include distribution information for all employees except students. If a discrepancy exists between the TTD and the timesheet of a non-exempt employee, then the timesheet overrides the TDD.	

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2.5.2	<p><u>Salary and Wage Cost Accumulation System.</u></p> <p>The College uses 3 payroll cycles: a monthly payroll for faculty and exempt employees and 2 bi-monthly payrolls, one for non-exempt employees and one for students. Payroll information from the HRMS is uploaded each pay period through an interface to the general ledger, with accumulated costs distributed by account and expense class. The HRMS also generates monthly Labor Distribution Reports that detail the amount paid to each employee by account. The general ledger system generates monthly reports detailing transactions posted from the HRMS.</p> <p><u>Recording of Cost Share Transactions</u></p> <p>The salary and wage costs initially are charged (under the appropriate subcode for the given employee) to a sponsored account specifically created to capture the cost share related to a given sponsored project or program. Then on a monthly basis the charge is transferred from the sponsored account to the Principal Investigator's departmental account through the use of certain subcodes (i.e. subcode .1990)</p>	
2.6.0	<p><u>Description of Direct Fringe Benefit Costs</u></p> <p>Direct fringe benefit costs consist of such items as pension, FICA, health insurance, life insurance, worker's compensation, unemployment compensation insurance, disability insurance, employee training and development, employee tuition assistance, child care, employee wellness services, employee advising program, and severance pay-out plans.</p>	
2.6.1	<p><u>Method of Charging Direct Fringe Benefits</u></p> <p>Effective July 1, 1997, all fringe benefit expenses are pooled and distributed to accounts based on a percentage of payroll that is divided into two rate groups, one for faculty and exempt employees and the other for non-exempt and union/service employees. These percentages are applied to salary and wage dollars for each group. Fringe benefits are allocated by payroll group to all major functions, individual projects; F&A cost pools, and other direct cost centers. All fringe benefits are charged to cost objectives based on annual fringe benefit rates negotiated with DHHS. Fringe benefit costs are projected annually based on the actual prior year costs. Carry-forward adjustments in the rate computation are made annually to compensate for prior years' overstated or understated recoveries.</p> <p>The only exceptions to these rates include the following:</p> <ul style="list-style-type: none"> a) Individuals hired on temporary assignments or employed on a less than half-time basis; b) Research associates with assignments of less than three years; c) Research fellows; and d) Certain faculty engaged under nine-month contracts. <p>Dartmouth currently negotiates 3 rates: 1) Faculty/Officer/Staff/Service 2) Research Associate B 3) Temporary</p> <p>Effective July 1, 1998, all fringe benefit expenses that were previously pooled in two rate groups for faculty and exempt employees and the other for non-exempt and union/service employees will now be included in one pool.</p>	
2.7.0	<p><u>Description of Other Direct Costs</u></p> <p>Principal categories of other direct costs include: travel; consulting and professional services; patient care; subject costs; animal care costs; publication costs; subcontracts; equipment; alterations and renovations needed to meet specific project requirements; long-distance expenses (long distance that is provided by the Mary Hitchcock Memorial Hospital as a purchased service not a Dartmouth College entity/utility); special repair and maintenance costs; service and re-charge center charges; performing artist fees; shipping; printing and duplication; recruitment costs; and, rental, lease and other facility costs of off-site facilities.</p>	

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2.8.0	<p><u>Cost Transfers.</u></p> <p>The credit amount of the specific charge being transferred is always based directly on the amount or rate of the original charge, except for the associated F&A costs related to transfers that occur in a different cost accounting period. In these instances, the F&A rate in effect at the time of the transfer, as opposed to the F&A rate in effect at the time of the original charge, is automatically applied. The College does not believe that this practice has a material effect on charges to sponsored agreements.</p> <p>End of Part II</p>	

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	<p style="text-align: center;">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) <u>1/</u> Y. Other(s) <u>1/</u> Z. Category or Pool not applicable <p><u>1/</u> 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	<p><u>Indirect Cost Categories - Accumulation and Allocation</u> This item is directed at the identification, accumulation, and allocation of all indirect costs of the institution. (Under the column heading "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each indirect cost category are identified, recorded, and accumulated in the institution's formal accounting system. If "No," describe on a continuation sheet how the cost elements included in the indirect cost category are identified and accumulated. Under the column heading "Allocation Base Code," 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.")</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Indirect Cost Category</th> <th style="text-align: center; border-bottom: 1px solid black;">Accumulation Method</th> <th style="text-align: center; border-bottom: 1px solid black;">Allocation Base Code</th> <th style="text-align: center; border-bottom: 1px solid black;">Allocation Sequence</th> </tr> </thead> <tbody> <tr> <td>(a) Depreciation/Use Allowances/Interest</td> <td></td> <td></td> <td style="text-align: center;">1</td> </tr> <tr> <td style="padding-left: 20px;">Building</td> <td style="text-align: center;">No</td> <td style="text-align: center;">L</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Equipment</td> <td style="text-align: center;">No</td> <td style="text-align: center;">L</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Capital Improvements to Land <u>1/</u></td> <td style="text-align: center;">No</td> <td style="text-align: center;">P</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Interest <u>1/</u></td> <td style="text-align: center;">No</td> <td style="text-align: center;">P</td> <td></td> </tr> <tr> <td>(b) Operation and Maintenance</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">P</td> <td style="text-align: center;">2</td> </tr> <tr> <td>(c) General Administration and General Expense</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">C</td> <td style="text-align: center;">3</td> </tr> <tr> <td>(d) Departmental Administration</td> <td style="text-align: center;">No</td> <td style="text-align: center;">D</td> <td></td> </tr> <tr> <td>(e) Sponsored Projects Administration</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">D</td> <td></td> </tr> <tr> <td>(f) Library</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">P</td> <td></td> </tr> <tr> <td>(g) Student Administration and Services</td> <td style="text-align: center;">Yes</td> <td style="text-align: center;">Y</td> <td></td> </tr> <tr> <td>(h) Other <u>1/</u></td> <td style="text-align: center;">Z</td> <td style="text-align: center;">Z</td> <td></td> </tr> </tbody> </table> <p><u>1/</u> Describe on a Continuation Sheet.</p>			Indirect Cost Category	Accumulation Method	Allocation Base Code	Allocation Sequence	(a) Depreciation/Use Allowances/Interest			1	Building	No	L		Equipment	No	L		Capital Improvements to Land <u>1/</u>	No	P		Interest <u>1/</u>	No	P		(b) Operation and Maintenance	Yes	P	2	(c) General Administration and General Expense	Yes	C	3	(d) Departmental Administration	No	D		(e) Sponsored Projects Administration	Yes	D		(f) Library	Yes	P		(g) Student Administration and Services	Yes	Y		(h) Other <u>1/</u>	Z	Z	
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3.2.0	<p><u>Service Centers</u> Service centers are departments or functional units which perform specific technical or administrative services primarily for the benefit of other units within a reporting unit. Service Centers include "recharge centers" and the "specialized service facilities" defined in Section J of Circular A-21. (The codes identified below should be inserted on the appropriate line for each service center listed. The column numbers correspond to the paragraphs listed below that provide the codes. Explain on a Continuation Sheet if any of the services are charged to users on a basis other than usage of the services. Enter "Z" in Column 1 if not applicable.)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%; text-align: center;">(1)</th> <th style="width: 10%; text-align: center;">(2)</th> <th style="width: 10%; text-align: center;">(3)</th> <th style="width: 10%; text-align: center;">(4)</th> <th style="width: 10%; text-align: center;">(5)</th> <th style="width: 10%; text-align: center;">(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Scientific Computer Operations</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(b) Business Data Processing</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(c) Animal Care Facilities</td> <td style="text-align: center;">A</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet if necessary)</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>_____</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>_____</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>(1) <u>Category Code</u>: Use code "A" if the service center costs are billed only as direct costs of final cost objectives; code "B" if billed only to indirect cost categories or indirect cost pools; code "C" if billed to both direct and indirect cost objectives.</p> <p>(2) <u>Burden Code</u>: Code "A" - center receives an allocation of all applicable indirect costs; Code "B" - partial allocation of indirect costs; Code "C" - no allocation of indirect costs.</p> <p>(3) <u>Billing Rate Code</u>: Code "A" - billing rates are based on historical costs; Code "B" - rates are based on projected costs; Code "C" - rates are based on a combination of historical and projected costs; Code "D" - billings are based on the actual costs of the billing period; Code "Y" - other (explain on a Continuation Sheet).</p> <p>(4) <u>User Charges Code</u>: Code "A" - all users are charged at the same billing rates; Code "B" - some users are charged at different rates than other users (explain on a Continuation Sheet).</p> <p>(5) <u>Actual Costs vs. Revenues Code</u>: Code "A" - billings (revenues) are compared to actual costs (expenditures) at least annually; Code "B" - billings are compared to actual costs less frequently than annually.</p> <p>(6) <u>Variance Code</u>: Code "A" - annual variances between billed and actual costs are prorated to users (as credits or charges); Code "B" - variances are carried forward as adjustments to billing rate of future periods; Code "C" - annual variances are charged or credited to indirect costs; Code "Y" - other (explain on a Continuation Sheet).</p>		(1)	(2)	(3)	(4)	(5)	(6)	(a) Scientific Computer Operations	Z						(b) Business Data Processing	Z						(c) Animal Care Facilities	A	A	C	A	A	B	(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet if necessary)							_____							_____						
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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 benefiting functions and activities included. If any cost objectives are excluded from the allocation base, such cost objectives and the alternate allocation method used should be identified. If an indirect cost allocation is based on Cost Analysis Studies, identify the study and fully describe the study methods and techniques applied, the composition of the specific allocation base used, and the frequency of each recurring study.</p>	
3.6.0	<p><u>Allocation of Indirect Costs to Programs That Pay Less Than Full Indirect Costs</u> Are appropriate direct costs of all programs and activities included in the indirect cost allocation bases, regardless of whether allocable indirect costs are fully reimbursed by the sponsoring organizations?</p> <p>A. <u> X </u> Yes B. <u> </u> No <u>1/</u></p>	
	<p><u>1/</u> Describe on a Continuation Sheet.</p>	

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3.1.0	<p><u>Indirect Cost Categories - Accumulation and Allocation</u></p> <p><u>Accumulation Method</u></p> <p><u>Building Depreciation</u></p> <p>The College records in accounts within the financial accounting system the original cost of buildings, equipment, and additions equal to or greater than \$25,000. In addition, the College maintains a database separate from the financial accounting system to accumulate the following information regarding buildings, building service systems, capitalized interior furnishings, and land improvements:</p> <ul style="list-style-type: none"> a) Account; b) Asset type; c) Year of acquisition; d) Original cost; e) Additions and deletions; f) Economic life; and g) Federally funded portions. <p>The calculation of the depreciation on buildings and their components, the recording of accumulated depreciation, and the calculation of current book value are also maintained in the database.</p> <p><u>Equipment Depreciation</u></p> <p>The College maintains a database separate from the financial accounting system to accumulate the following information regarding capitalized equipment with a cost less than \$25,000:</p> <ul style="list-style-type: none"> a) Account on which purchased; b) Description and other identifying information; c) Department; d) Class; e) Economic life; f) Acquisition date; and g) Original cost. <p>The calculation of depreciation, the recording of accumulated depreciation, and the calculation of current book value are also maintained in the database.</p> <p><u>Capital Improvements to Land</u></p> <p>Information regarding capital improvements to land is included in the same database as building depreciation. See the paragraph on Accumulation Method - Building Depreciation above.</p> <p><u>Non-capitalized Interest</u></p> <p>Debt payments, including payments of principal, interest, and fees, are initially recorded in debt service accounts within the financial accounting system. These accounts represent various debt issues. The Controller's Office allocates the dollars in the debt service accounts to various other accounts in the financial accounting system that represents the individual projects being financed. For the preparation of the Facilities and Administrative Cost Proposal, the Controller's Office identifies the portion in each project account that represents non-capitalized interest in accordance with debt service schedules established at the time of the borrowing.</p>

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3.1.0	<u>Indirect Cost Categories - Accumulation and Allocation</u> <u>Accumulation Method</u> <u>Departmental Administration</u> Departmental administration expenses are only partially identified by the financial accounting system. This cost pool consists of: the administrative costs of deans' offices; costs associated with the administrative activities of department heads, faculty, and other professional research and academic staff; and, other departmental support services. The administrative costs of deans' offices are identified by the financial accounting system. The costs associated with the administrative activities of department heads, faculty, and other professional research and academic staff are covered by a standard allowance of 3.6% of modified total direct costs specified in paragraph F.6.a.(2) of Circular A-21. The remaining departmental support costs include the salaries and fringe benefits of administrative and clerical staff (excluding direct charges for administrative and clerical services under the conditions discussed in 2.1.0), departmental business managers, office supplies, postage, travel associated with administrative activities, etc. This portion of departmental administration expenses is accumulated through an analysis of departmental general fund accounts and the application of DCE's. As discussed in 2.1.0, DCE's are mathematical formulas that estimate the portion of departmental general fund expenses that should be assigned directly to instruction and other non-sponsored direct cost objectives and the portion that should be included in the departmental administration F&A cost pool. <u>Allocation Base Code</u> <u>Capital Improvements to Land</u> The cost of capital improvements to land that can be specifically associated with the functionality of a particular building(s) is allocated on the basis of square footage assigned to those functions. The allocation of the cost of capital improvements to land that cannot be specifically associated with a particular building(s) is based on the standard methodology in section F.2.b.(4) of Circular A-21, which uses a combination of FTE student and employee data and salary data in a multi-step allocation process. <u>Non-capitalized Interest</u> Non-capitalized interest associated with the construction or renovation of a building(s) or building service systems is allocated on the basis of square footage assigned to the various functions performed in the building(s). Non-capitalized interest associated with land improvements or other projects whose benefit is not allocable to a particular building(s) is based on the standard methodology in section F.2.b.(4) of Circular A-21, which uses a combination of FTE student and employee data and salary data in a multi-step allocation process. <u>Operations and Maintenance</u> Expenditures for operations and maintenance may be associated with individual buildings, groups of buildings, or all buildings of the College. They may also be associated with grounds maintenance. Operations and maintenance expenditures associated with buildings, both individual buildings and groups of buildings, are allocated on the basis of the square footage assigned to the various functions in the buildings. Operations and maintenance expenditures associated with grounds maintenance are based on the standard methodology in section F.2.b. (4) of Circular A-21, which uses a combination of FTE student and employee data and salary data in a multi-step allocation process. <u>Library</u> Expenditures associated with the College's library system are allocated according to the standard methodology in section F.8 of Circular A-21, which uses a combination of FTE student and employee data and salary data in a multi-step allocation process.	

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3.1.0	<u>Indirect Cost Categories - Accumulation and Allocation</u> <u>Allocation Base Code</u> <u>Student Services Administration</u> Expenditures associated with student services administration are allocated entirely to instruction in accordance with the standard allocation base in section F.9.b of Circular A-21.	
3.3.0	<u>Indirect Cost Pools and Allocation Bases.</u> The other category for organized research is the F&A cost pool for the Veteran's Administration Hospital.	
3.4.0	<u>Composition of Indirect Cost Pools</u> <u>Operations and Maintenance</u> The operations and maintenance pool consists of expenditures for utilities and the maintenance of utility systems; the maintenance and upkeep of institutional facilities and grounds; other operational costs, such as environmental health and safety, security, and facilities administration and planning; the rental costs of leased facilities; and the maintenance fees of condominium facilities. The rental costs included in this pool represent leased facilities that are considered on-site facilities. The maintenance fees of condominium facilities are for the College-occupied portion of the facilities shared with the Lahey Hitchcock Clinic and the Mary Hitchcock Memorial Hospital. Elements of cost include salaries, fringe benefits, utilities, materials, and supplies with all applicable cross allocations. <u>Building and Land Improvement Depreciation</u> The building depreciation pool consists of depreciation expense associated with buildings' foundations and shells, building service systems, capitalized interiors and furnishings, and land improvements. Each component is separately identified and depreciated over its economic life. Depreciation on federally funded construction and renovation projects is not included in the pool. The portion of the building renovation/construction that is not federally funded is included in the pool. <u>Equipment Depreciation</u> The equipment depreciation pool consists of depreciation expense on capitalized equipment. Depreciation expense on federally funded equipment and equipment located in service centers is not included in the pool. Equipment depreciation for equipment purchased on active non-federally sponsored awards is not included in the pool. See Part IV for additional information on building and equipment depreciation. <u>Non-capitalized Interest</u> The non-capitalized interest pool consists of non-capitalized interest on external debt associated with various projects as defined in section J.22.e of Circular A-21. <u>Library</u> The library pool consists of all costs assignable to the College's library system, less applicable credits. Elements of cost include the purchase of books and other materials, salaries, fringe benefits, and supplies with all applicable cross allocations. Allocation of Library – Costs of the Library are allocated to the users of the library on an FTE basis. FTE statistics include	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS
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3.4.0	<p>students, faculty and professionals and outside/other users. A secondary allocation assigns the costs as follows:</p> <ul style="list-style-type: none"> · Student FTE costs are assigned to the Instruction Pool · Faculty and professionals FTE costs are allocated to the benefiting functions based on salaries and wages. (Instruction, Research, Other Sponsored, Other Institutional Activities costs pools) · Costs associated with outside/other users are assigned to the Other Institutional Activities cost pool <p><u>Composition of Indirect Cost Pools</u></p> <p><u>General Administration and General Expenses (G&A)</u></p> <p>The G&A pool consists of costs assignable to institutional support functions that benefit the entire College. Examples of G&A expenses include those expenses incurred by administrative offices that serve the entire College; the offices for College-wide financial management, business services, budget and planning, personnel management, and safety and risk management; the office of the General Counsel; and the operations of the central administrative management information systems. Elements of cost include salaries, fringe benefits, and general office expenses with all applicable cross allocations.</p> <p><u>Departmental Administration</u></p> <p>The departmental administration pool consists of the administrative costs associated with academic schools and departments, including deans' offices. The portion of salaries for faculty and other professional research and academic personnel is limited to 3.6% of modified total direct cost as outlined in section F.6.a(2) of Circular A-21. Elements of cost include salaries, fringe benefits, and general office expenses with all applicable cross allocations. See 3.1.0 for additional information concerning the composition of departmental administration expenses.</p> <p><u>Sponsored Projects Administration</u></p> <p>The sponsored projects administration pool consists of the costs associated with the offices of Grants and Contracts and Technology Transfer. Elements of cost include salaries, fringe benefits, and general office expenses with all applicable cross allocations.</p> <p><u>Student Services Administration</u></p> <p>The student services administration pool consists of costs associated with the administration of student affairs and organizations, financial aid, admissions, student records, and student health services. Elements of cost include salaries, fringe benefits, and general office expenses with all applicable cross allocations.</p>	
3.5.0	<p><u>Composition of Allocation Bases</u></p> <p><u>Square Footage</u></p> <p>Space data is maintained in a space database. The database includes, on a building-by-building and room-by-room basis, information as to measurement, occupancy, Circular A-21 functionality, and HEGIS use code. The square footage used to assign facilities costs to functions is based upon net assignable square footage. The assignment of square footage to various functions is updated every two years.</p> <p>Building depreciation is allocated on a building-by-building basis. Equipment depreciation is allocated on a department-by-department basis. Operations and maintenance expenses identified to an individual building or a group of buildings are allocated on the functional square footage of those buildings. Operations and maintenance expenses not identified to an individual building or a group of buildings are allocated on campus-wide square footage. Grounds maintenance is allocated on FTE, as described in section 3.5.0.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS
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3.5.0	<p><u>Composition of Allocation Bases</u></p> <p><u>Full-Time Equivalency (FTE)</u></p> <p>FTE statistics are compiled as follows:</p> <ul style="list-style-type: none">a) FTE's for the fiscal year in question are gathered for the following groups: faculty and professional staff; graduate students not employed; graduate students employed; undergraduate students; and others.b) For the groups faculty and professional staff and graduate students employed, the FTE's are assigned to the base functions (instruction, sponsored research, other sponsored projects, and other institutional activities) in the same proportion as the allocation of salary dollars.c) For the other three groups, the FTE's are assigned to a single function: for graduate students not employed and for undergraduate students, the assignment is to instruction; for others, the assignment is to other institutional activities. <p>FTE statistics are used to allocate the library pool and certain subpools of land improvement depreciation, non-capitalized interest, operations and maintenance not associated with the functionality of specific buildings, and grounds maintenance.</p> <p><u>Modified Total Cost and Modified Total Direct Cost (collectively called MTDC)</u></p> <p>Administrative costs are allocated on the basis of MTDC. MTDC includes salaries and wages, fringe benefits, materials and supplies, services, travel, and the first \$25,000 of subawards and contracts. Exclusions include expenditures for capital equipment, patient care, tuition remission, rental costs, scholarships and fellowships, and the portion of subawards and contracts in excess of \$25,000.</p> <p>For the allocation of G&A expenses, departmental administration expenses, and the final distribution base, MTDC represents the costs of all the benefiting functions. The allocation of sponsored project administration expenses is based on the MTDC of sponsored projects.</p> <p><u>Step-down Methodology</u></p> <p>Cost pools are allocated as follows:</p> <ul style="list-style-type: none">a) Building and equipment depreciation and non-capitalized interest are allocated to the operations and maintenance pool, to administrative pools, and to direct functions, including service centers.b) Operations and maintenance is allocated to administrative pools and to direct functions, including service centers.c) G&A is allocated to other administrative pools and to direct functions, including service centers.d) Departmental administration is allocated to direct functions, including service centers.e) Sponsored projects administration is allocated to sponsored research and to other sponsored projects.f) Student services administration is allocated entirely to instruction. <p>End of Part III</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV - DEPRECIATION AND USE ALLOWANCES DARTMOUTH COLLEGE																																																			
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4.1.0	<p><u>Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives.</u> (For each asset category listed below, enter a code from A through C in Column (1) describing the method of depreciation; a code from A through D in Column (2) describing the basis for determining useful life; a code from A through C in Column (3) describing how depreciation methods or use allowances are applied to property units; and Code A or B in Column (4) indicating whether or not the estimated residual value is deducted from the total cost of depreciable assets. Enter Code Y in each column of an asset category where another or more than one method applies. Enter Code Z in Column (1) only if an asset category is not applicable.)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Asset Category</th> <th style="text-align: center; border-bottom: 1px solid black;">Depreciation Method (1)</th> <th style="text-align: center; border-bottom: 1px solid black;">Useful Life (2)</th> <th style="text-align: center; border-bottom: 1px solid black;">Property Unit (3)</th> <th style="text-align: center; border-bottom: 1px solid black;">Residual Value (4)</th> </tr> </thead> <tbody> <tr> <td>(a) Land Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(b) Buildings</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(c) Building Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(d) Leasehold Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(e) Equipment</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(f) Furniture and Fixtures</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(g) Automobiles and Trucks</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(h) Tools</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. (Otherwise, enter Code Z.)</td> <td style="text-align: center;">Z</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Asset Category	Depreciation Method (1)	Useful Life (2)	Property Unit (3)	Residual Value (4)	(a) Land Improvements	A	C	A	B	(b) Buildings	A	C	A	B	(c) Building Improvements	A	C	A	B	(d) Leasehold Improvements	A	C	A	B	(e) Equipment	A	C	A	B	(f) Furniture and Fixtures	A	C	A	B	(g) Automobiles and Trucks	A	C	A	B	(h) Tools	A	C	A	B	(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. (Otherwise, enter Code Z.)	Z			
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<u>Column (1) - Depreciation Method Code</u> A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method <u>1/</u>		<u>Column (2) - Useful Life Code</u> 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 <u>1/</u>																																																			
<u>Column (3) - Property Unit Code</u> 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 <u>1/</u>		<u>Column (4) - Residual Value Code</u> A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method <u>1/</u>																																																			
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART IV - DEPRECIATION AND USE ALLOWANCES <hr/> DARTMOUTH COLLEGE
Item No.	Item Description
4.1.1	<p><u>Asset Valuations and Useful Lives</u> 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 (see description)</p> <p>B. <input type="checkbox"/> No <u>1/</u></p>
4.2.0	<p><u>Fully Depreciated Assets</u> Is a usage charge for fully depreciated assets charged to federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Yes</p> <p>B. <input checked="" type="checkbox"/> No</p>
4.3.0	<p><u>Treatment of Gains and Losses on Disposition of Depreciable Property</u> Gains and losses are: (Mark the appropriate line(s), and if more than one is marked, explain on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Excluded from determination of sponsored agreement costs</p> <p>B. <input checked="" type="checkbox"/> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged</p> <p>C. <input type="checkbox"/> Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved</p> <p>D. <input type="checkbox"/> Not accounted for separately, but reflected in the depreciation reserve account</p> <p>Y. <input type="checkbox"/> Other(s) <u>1/</u></p> <p>Z. <input type="checkbox"/> Not applicable</p>
4.4.0	<p><u>Criteria for Capitalization</u> (Enter (a) the minimum dollar amount of expenditures which are capitalized for acquisition, addition, alteration, donation, and improvement of capital assets, and (b) the minimum number of expected life years of assets which are capitalized. If more than one dollar amount or number applies, show the information for the majority of your capitalized assets and enumerate on a continuation sheet the dollar amounts and/or number of years for each category or subcategory of assets involved which differs from those for the majority of assets.)</p> <p>A. Minimum Dollar Amount <u>\$1,000</u></p> <p>B. Minimum Life Years <u>over 1 year</u></p>
4.5.0	<p><u>Group or Mass Purchase</u> Are group or mass purchases (initial complement) of similar items, which individually are less than the capitalization amount indicated above, capitalized? (Mark one.)</p> <p>A. <input type="checkbox"/> Yes <u>1/</u></p> <p>B. <input checked="" type="checkbox"/> No</p> <p><u>1/</u> Describe on a Continuation Sheet.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV - DEPRECIATION AND USE ALLOWANCES												
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Item No.	Item Description													
4.1.1	<p><u>Asset Valuations and Useful Lives</u></p> <p>The F&A cost proposal depreciates all assets with a minimum value of \$2,500 while the financial statements depreciate assets with a minimum value of \$25,000. Both use over one year as the minimum life for capitalization. Both use the same useful lives for depreciation.</p> <p>The average useful life and actual historical data is used when setting the lives of each asset category. Below are the useful lives for equipment:</p> <table><tr><td colspan="2">Equipment Useful Lives</td></tr><tr><td><u>Asset Category</u></td><td><u>Useful Life</u></td></tr><tr><td>Scientific, Audio Visual, Athletic Food Service, Musical instruments, Tools</td><td>7</td></tr><tr><td>Computer Equipment</td><td>3</td></tr><tr><td>Furniture, Utility services, Business equipment</td><td>10</td></tr><tr><td>Vehicles, Mini-Frame server</td><td>5</td></tr></table>		Equipment Useful Lives		<u>Asset Category</u>	<u>Useful Life</u>	Scientific, Audio Visual, Athletic Food Service, Musical instruments, Tools	7	Computer Equipment	3	Furniture, Utility services, Business equipment	10	Vehicles, Mini-Frame server	5
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4.4.0	<p><u>Criteria for Capitalization</u></p> <p>Effective July 1, 1998 the college has a minimum dollar amount for capitalization of \$2,500. In addition, the College is considering increasing the threshold level to the \$5,000 limit, but no timetable for this decision has been determined.</p> <p>End of Part IV</p>													

PART V - OTHER COSTS AND CREDITS

DARTMOUTH COLLEGE

Item No.	Item Description
	Part V
5.1.0	<p><u>Method of Charging Leave Costs</u> Do you charge vacation, sick, holiday, and sabbatical leave costs to sponsored agreements on the cash basis of accounting (i.e., when the leave is taken or paid) or on the accrual basis of accounting (when the leave is earned)? (Mark applicable line(s).)</p> <p>A. <u>X</u> Cash B. _____ Accrual <u>1/</u></p>
5.2.0	<p><u>Applicable Credits</u> This item is directed at the treatment of "applicable credits" as defined in Section C of 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. _____ The credits/receipts are offset against the specific direct or indirect costs to which they relate. B. _____ The credits/receipts are handled as a general adjustment to the indirect pool. C. _____ The credits/receipts are treated as income and are not offset against costs. D. <u>X</u> Combination of methods <u>1/</u> Y. _____ Other <u>1/</u></p>
	<p><u>1/</u> Describe on a Continuation Sheet.</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART V - OTHER COSTS AND CREDITS
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Item No.	Item Description	
5.2.0	<p><u>Applicable Credits</u></p> <p>Applicable credits, such as insurance refunds, are offset whenever possible against the specific direct costs or F&A costs to which they relate. Purchase discounts, however, are handled differently. They are used to offset certain freight expense and the total cost of the G&A pool. Miscellaneous receipts such as library fees and fines are treated as income and are not offset against costs.</p> <p>End of Part V</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 5px;">PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS</td> </tr> <tr> <td style="text-align: center; padding: 5px;">DARTMOUTH COLLEGE</td> </tr> </table>	PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS	DARTMOUTH COLLEGE						
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DARTMOUTH COLLEGE									
Item No.	Item Description								
	Instructions for Part VI								
	<p>This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits), and insurance. Some organizations may incur all of these costs at the main campus level or, for public institutions, at the governmental unit level, while others may incur them at subordinate organization levels. Still others may incur a portion of these costs at the main campus level and the balance at subordinate organization levels.</p> <p>Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to federally sponsored agreements are material, 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.)</p>								
6.1.0	<u>Pension Plans.</u>								
6.1.1	<u>Defined-Contribution Pension Plans</u> 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.)								
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 60%;"><u>Type of Plan</u></th> <th style="text-align: center; width: 40%;"><u>Number of Plans</u></th> </tr> </thead> <tbody> <tr> <td style="padding-top: 10px;">A. _____ Institution employees participate in State/Local Government Retirement Plan(s)</td> <td style="text-align: center; padding-top: 10px;">_____</td> </tr> <tr> <td style="padding-top: 10px;">B. <u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution</td> <td style="text-align: center; padding-top: 10px;"><u> 2 </u></td> </tr> <tr> <td style="padding-top: 10px;">C. _____ Institution has its own Defined- Contribution Plan(s) <u> 1/ </u></td> <td style="text-align: center; padding-top: 10px;">_____</td> </tr> </tbody> </table>	<u>Type of Plan</u>	<u>Number of Plans</u>	A. _____ Institution employees participate in State/Local Government Retirement Plan(s)	_____	B. <u> X </u> Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	<u> 2 </u>	C. _____ Institution has its own Defined- Contribution Plan(s) <u> 1/ </u>	_____
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C. _____ Institution has its own Defined- Contribution Plan(s) <u> 1/ </u>	_____								
6.1.2	<u>Defined-Benefit Pension Plan</u> (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.)								
	<u>1/ Describe on a Continuation Sheet.</u>								

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6.4.2	<p><u>Casualty Insurance</u> Costs of such self-insurance programs are charged to federally sponsored agreements or similar cost objectives: (Mark one.)</p> <p>A. <input type="checkbox"/> When losses are incurred (no provision for reserves)</p> <p>B. <input type="checkbox"/> When provisions for reserves are recorded based on replacement costs</p> <p>C. <input type="checkbox"/> When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles</p> <p>D. <input type="checkbox"/> Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves)</p> <p>Y. <input checked="" type="checkbox"/> Other or more than one method <u>1/</u></p> <p>Z. <input type="checkbox"/> Not Applicable</p>	
	<p><u>1/</u> Describe on a Continuation Sheet.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS
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Item No.	Item Description	
6.1.2	<p><u>Defined-Benefit Pension Plan</u></p> <p><u>Plan Name</u> Retirement Plan for Staff and Service Employees of Dartmouth College.</p> <p><u>Actuarial Cost Method</u> Costs are computed in accordance with Statement of Financial Accounting Standards No. 87 (FAS 87). As required by FAS 87, the projected unit credit cost method is used.</p> <p><u>Asset Valuation Method</u> The market-related value of assets equals the market value of assets on the valuation date, less the following percentages of prior years' investment gains or losses:</p> <ul style="list-style-type: none">a) 80% of the prior year;b) 60% of the second prior year;c) 40% of the third prior year; andd) 20% of the fourth prior year. <p>Investment gains and losses are determined by the difference between the expected return (on the market-related value at the expected long-term asset return rate) and the actual return on the market value for any given year.</p> <p><u>Criteria for Changing Actuarial Assumptions and Computations</u> The actuarial assumptions employed in the development of annual pension cost under FAS No. 87 are selected by Fidelity Investments Actuarial and Consulting Services, Inc. in consultation with the College. FAS No. 87 requires that "each significant assumption used shall reflect the best estimate solely with respect to that individual assumption."</p> <p><u>Amortization Periods for Prior Service Costs</u> In accordance with FAS 87, changes in prior service costs are amortized on a straight-line basis over the expected future service of active participants expected to receive benefits under the plan as of the date such costs are first recognized.</p> <p><u>Amortization Periods for Actuarial Gains and Losses</u> As specified in FAS 87, actuarial gains and losses in excess of 10% of the larger of the projected benefit obligation and the market-related value of assets are amortized over the expected future service of active participants expected to receive benefits under the plan.</p> <p><u>Funding Policy</u> The College's funding policy for a given plan year is to contribute an amount not in excess of the annual FAS 87 pension expense for the fiscal year beginning in such plan year, but never less than the minimum required employer contribution under the Employee Retirement Income Security Act of 1974. The cost for this plan in the College's fringe benefit rate is the amount contributed.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS
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Item No.	Item Description	
6.2.0	<u>Post Retirement Benefits Other Than Pensions (including post retirement health care benefits) (PRB's).</u> Costs associated with the Dartmouth College Post Retirement Welfare Program, which is comprised of retiree medical and the retiree life insurance plans, are charged in part to federally sponsored agreements. All Dartmouth College employees are eligible for post retirement Welfare benefits should they meet the requirements at retirement and approximately 850 former employees of the College, who were eligible for benefits at retirement, are currently covered.	
6.2.1	<u>Determination of Annual PRB Costs</u> Post retirement benefits include health and life insurance. The largest component of PRB costs is health insurance. For health insurance, PRB costs under the Dartmouth College Post Retirement Welfare Program are determined on a cash basis of accounting, based on carrier insurance premiums. These costs are charged to departments and sponsored agreements through the fringe benefit rates.	
6.4.1	<u>Worker's Compensation and Liability</u> The cost of the worker's compensation insurance program is charged to federally sponsored agreements or similar cost objectives through the fringe benefit rate on a cash basis, except for any required actuarially determined IBNR (incurred but not reported) cost accrual. The College has a self-insurance program for the large deductible portion of its general liability insurance program. Claims within this deductible and associated expense are charged to a central insurance account, which is included in F&A costs.	
6.4.2	<u>Casualty Insurance</u> The College's only self-insured casualty insurance programs are for automobiles and other equipment. Expenses for these programs within a departmental deductible are charged to departmental accounts when they are paid. Expenses in excess of the deductible are charged to a central insurance account, which is included in F&A costs.	
	End of Part VI	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VII - CENTRAL SYSTEM OR GROUP EXPENSES
		DARTMOUTH COLLEGE
Item No.	Item Description	
	<p style="text-align: center;">DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE</p> <p style="text-align: center;">Instructions for Part VII</p> <p>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.</p> <p>The reporting unit (central system or group office) should disclose how costs of services provided by the reporting unit are, or will be, accumulated and allocated to applicable segments of the institution. For a central system office, disclosure should cover the entire institution. For a group office, disclosure should cover all of the subordinate organizations administered by that group office.</p>	
7.1.0	<p><u>Organizational Structure</u></p> <p>On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.</p>	
7.2.0	<p><u>Cost Accumulation and Allocation</u></p> <p>On a continuation sheet, provide a description of:</p> <ol style="list-style-type: none"> 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 benefiting 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. 	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VII - CENTRAL SYSTEM OR GROUP EXPENSES
		DARTMOUTH COLLEGE
Item No.	Item Description	
7.1.0	<u>Organizational Structure</u> The College is a private institution with only one segment. Therefore, this section is not applicable to the College.	
7.2.0	<u>Cost Accumulation and Allocation</u> The College is a private institution with only one segment. Therefore, this section is not applicable to the College. End of Part VII	