

**COST ACCOUNTING  
STANDARDS BOARD**

**DISCLOSURE STATEMENT  
FOR EDUCATIONAL INSTITUTIONS**

**LOUISIANA STATE UNIVERSITY  
HEALTH SCIENCES CENTER  
NEW ORLEANS CAMPUS**

**CASB DS-2**

**AMENDED STATEMENT  
REVISION NO. 1**

**EFFECTIVE DATE JULY 1, 2006**

**Audit Revisions May 30, 2008**

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

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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 Part 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.

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

GENERAL INSTRUCTIONS

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 for 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

LSU HEALTH SCIENCES CENTER  
NEW ORLEANS

Item	
0.1	<p>EDUCATIONAL INSTITUTION</p> <p>A. Name Louisiana State University Health Sciences Center</p> <p>B. Street Address 433 Bolivar Street</p> <p>C. City, State, and Zip Code New Orleans, LA 70112</p> <p>D. Division or Campus of New Orleans Campus (if applicable)</p>
0.2	<p>REPORTING UNIT IS: (Mark one.)</p> <p>A. ___ Independently Administered Public Institution</p> <p>B. ___ Independently Administered Nonprofit Institution</p> <p>C. <u>X</u> Administered as Part of a Public System</p> <p>D. ___ Administered as Part of a Nonprofit System</p> <p>E. ___ Other (Specify)</p>
0.3	<p>OFFICIAL TO CONTACT CONCERNING THIS STATEMENT:</p> <p>A. Name and Title Mr. Patrick Landry Executive Director, Acctg. Services</p> <p>B. Phone Number (504) 568-4815</p>
0.4	<p>STATEMENT TYPE AND EFFECTIVE DATE:</p> <p>A. (Mark type of submission. If a revision, enter number)</p> <p>(a) ___ Original Statement</p> <p>(b) <u>X</u> Amended Statement; Revision No <u>1</u></p> <p>B. Effective Date of this Statement: (Specify) <u>07/01/2006</u></p>
0.5	<p>STATEMENT SUBMITTED TO (Provide office name, location and telephone number, include area code and extension):</p> <p>A. Cognizant Federal Agency:</p> <p>Department of Health and Human Services Division of Cost Allocation Cohen Building Room 1067 330 Independence Avenue, S.W. Washington, DC 20201 (202) 401-2808</p> <p>B. Cognizant Federal Auditor:</p> <p>Department of Health and Human Services Regional Inspector General for Audit Services Dallas Region 1100 Commerce, Room 4A5 Dallas, Texas 75242</p>

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

COVER SHEET AND CERTIFICATION

LSU HEALTH SCIENCES CENTER  
NEW ORLEANS

## CERTIFICATION

I certify that to the best of my knowledge and belief this Statement, as amended in the case of a Revision, is the complete and accurate disclosure as of the date of certification shown below by the above named organization of its cost accounting practices, as required by the Disclosure Regulations (48 CFR 9903.202) of the Cost Accounting Standards Board under 41 U.S.C. ' 422.

Date of Certification:

  
\_\_\_\_\_  
(Signature)

Mr. Ronald Smith  
\_\_\_\_\_  
(Print or Type Name)

Vice Chancellor Administration and Finance  
(Title)

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

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

PART I - GENERAL INFORMATION

NAME OF REPORTING UNIT  
LSU HEALTH SCIENCES CENTER  
NEW ORLEANS

Item  
No.

Revision No. 1 Effective 07/01/2006

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.  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.  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.  Combination of A, B or C 1/
- E.  Determinable by other means. 1/

1/ Describe on a Continuation Sheet.

Item  
No.

Item Description

1.3.1

Treatment of Unallowable Costs

(Explain on a continuation sheet how unallowable costs and directly associated costs are treated in each allocation base and indirect expense pool, e.g., when allocating costs to a major function or activity; when determining indirect cost rates; or, when a central office or group office allocates costs to a segment.)

1.4.0

Cost Accounting Period: 7/1 TO 6/30

(Specify the twelve month period used for the accumulation and reporting of costs under Federally sponsored agreements, e.g., 7/1 to 6/30. If the cost accounting period is other than the Institution's fiscal year used for financial accounting and reporting purposes, explain circumstances on a continuation sheet.)

1.5.0

State Laws or Regulations

Identify on a continuation sheet any State laws or regulations which influence the institution's cost accounting practices, e.g., State administered pension plans, and any applicable statutory limitations or special agreements on allowance of costs.

1/ Describe on a Continuation Sheet



Item No.	Item Description
1.1.0	<p><u>Description of Your Cost Accounting System</u></p> <p>The Louisiana State University Health Sciences Center, New Orleans, (LSUHSC-NO) cost accounting system is maintained by an integrated financial accounting system which operates on a modified accrual basis. The financial records of the University are maintained in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB) and the National Association of College and University Business Officers. These standards require that financial transactions be recorded within separate funds and that similar funds are categorized into fund groups for purposes of accounting and financial reporting.</p> <p>Throughout most of the fiscal year, income and expenses are recorded on a cash basis. At year end however, LSUHSC-NO account balances are adjusted to the accrual basis and included with the other Louisiana State University campuses and activity balances for the purpose of presenting consolidated annual financial reporting. At year-end, hourly wages and some related fringe benefits are accrued. Expenses paid through the accounts payable system are charged when the invoices are approved in the accounts payable system. Indirect cost rates are applied to normal accruals of salaries accounts payable, benefits, etc. These consolidated financial statements are prepared on the accrual basis with the following exceptions:</p> <p>To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures in the case of normal acquisitions, repairs, or renovations; mandatory transfers in the case of required provisions for debt amortization and interest; and transfers of a non-mandatory nature for all other cases.</p>
1.2.0	<p><u>Integration of Cost Accounting with Financial Accounting</u></p> <p>The integrated financial accounting system accumulates costs according to funding source, program purpose, and expense categories. Sponsored program direct costs are recorded directly against individual awards, each represented by an individual account(s) chartfield string and project number. Space inventory information related to, building values and depreciation, equipment values and depreciation, and step-down allocation systems are maintained in the financial accounting system asset module. Cost data is accumulated in the State of Louisiana accounting system(s) and allocated to LSUHSC-NO (Statewide cost allocations). Other systems not directly integrated with the Financial accounting system but used in established cost accounting methods include the "time and effort certification system" and Human Resources Management System.</p>

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

CONTINUATION SHEET  
PART I  
NAME OF REPORTING UNIT  
LSU HEALTH SCIENCES CENTER  
NEW ORLEANS

Revision No. 1 Effective 07/01/2006

Item No.	Item Description
1.3.0	<p><u>Unallowable Costs</u></p> <p>Expressly unallowable costs as defined by OMB Circular A-21, Section J, are identified and accumulated in the formal accounting records of the University using designated department, fund, program, class or and account/object codes, or a combination thereof. Specific account codes are unallowable and include: Advertising (LSUHSC-NO Services, LSUHSC-NO Sales, Continuing Education), legal services –Fed UA, Official functions, Food/meals, Insurance – loss uninsured, memberships Fed UA, medical services, practice fund salary, publications grants – Fed/UA, and subscriptions – Fed U/A. These account codes are normally excluded from the direct costs charged to sponsored projects. Amounts in unallowable account codes initially recorded in direct and indirect cost pools are reclassified to the Unallowable cost pool and allocated a share of administrative indirect costs.</p> <p>OMB Circular A-21, Section J, identifies specific activities and organizational units that are unallowable and which must be excluded during the preparation of the University’s indirect cost proposal. Many of these activities are necessary for the operation of an educational institution and are supported by the University’s operations and recognized in the accounting records. These types of unallowable activities are excluded in their entirety by reclassifying them with the other unallowable expenses in the Unallowable cost pool. These adjustments are made as part of the facilities and administrative cost rate determination study. Appropriate accounting records and supporting documents are maintained for audit and review purposes. These organizational units and program activities include: alumni activities, alumni development, LSUHSC-NO Foundation, information services, commencement and diplomas, housing allowance, malpractice insurance, technology transfer, faculty group practice (patient care costs), royalties expense.</p> <p>During the preparation of LSUHSC-NO’s F&amp;A cost proposal, the formal accounting records are further reviewed to ensure that all unallowable costs have been properly identified.</p>
1.3.1	<p><u>Treatment of Unallowable Costs</u></p> <p>Unallowable costs are excluded from charges to Federally sponsored agreements. Unallowable directly associated costs as defined in CAS 505 will also be excluded from charges to Federally sponsored agreements.</p> <p>As required by CAS 505, when unallowable costs would normally be part of a regular indirect cost allocation base, they will remain in the base. This is accomplished by classifying unallowable costs as “Other Institution Activities” or “Unallowable” cost and allocating indirect costs to these activities as part of the normal indirect cost allocation process. The classification of unallowable activities as Other Institutional Activities is required by section B.1.d of OMB Circular A-21. In the interest of consistency, LSUHSC-NO has elected to treat all unallowable costs in this manner if the unallowable costs are of a nature that would be included in the modified total direct cost (MTDC) base specified in section G.2 of A-21. An exception to this treatment is made for cost overruns and other unallowable direct costs of sponsored agreements. These costs remain in the direct cost base of the sponsored projects if they are of a nature that would be included in the MTDC base required by A-21.</p>

Item  
 No.

Item Description

1.5.0

State Laws or Regulations

The State of Louisiana regulations place restrictions on the use of state funds and also establish financial reporting requirements for various funds. Other areas of state regulations which influence LSUHSC-NO's cost accounting practices are as follows:

- The state mandates the fiscal year used by the University.
- The state has two mandated public employee retirement systems:
  - Louisiana State Employees' Retirement System (LASERS) and
  - Teachers Retirement System of Louisiana (TRSL).
- The state regulations regarding the accrual, use, and payment of annual and sick leave.
- The state regulations on employee benefits as set forth by the State Employees Group Benefits Office.
- The state Employee Travel Regulations.
- The state property control regulations define the types of property and dollar levels for capitalization.
- The state defined expenditure category classifications.
- The state Civil Service Regulations.
- The state Purchasing Regulations.
- The state requires that all construction at the university is administered through the State Office of Facilities Planning.
- The state regulations regarding contracting with other entities as set forth by the Office of Contractual Review.
- The state Professional Licensing requirements.
- The state Code of Governmental Ethics.
- The state Risk Management Program administered by the Office of Risk Management.
- The state statutes requiring Public Universities to follow GASB and NACUBO accounting standards.

Item No.	Item Description
	<u>Instructions for Part II</u>
	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.
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 or materials which are charged as direct materials and supplies.)
2.3.0	<u>Method of Charging Direct Materials and Supplies.</u> (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)
2.3.1	Direct Purchases for Projects are Charged to Projects at: A. <input type="checkbox"/> Actual Invoiced Costs B. <input checked="" type="checkbox"/> Actual Invoiced Costs Net of Discounts Taken Y. <input type="checkbox"/> Other(s) 1/ Z. <input type="checkbox"/> Not Applicable
2.3.2	Inventory Requisitions from Central or Common, Institution-owned Inventory. (Identify the inventory valuation method used to charge projects): A. <input type="checkbox"/> First In, First Out B. <input checked="" type="checkbox"/> Last In, First Out C. <input type="checkbox"/> Average Costs 1/ D. <input type="checkbox"/> Predetermined Costs 1/ Y. <input type="checkbox"/> Other(s) 1/ Z. <input type="checkbox"/> Not Applicable

1/ Describe on a Continuation Sheet.

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	<p><u>Method of Charging Direct Salaries and Wages.</u> (Mark the appropriate line(s) for each Direct Personal Services Category to identify the method(s) used to charge direct salary and wage costs to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, fully describe on a continuation sheet, the applicable methods used.)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="4" style="text-align: center; border-bottom: 1px solid black;"><u>Direct Personal Services Category</u></th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Faculty</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Staff</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Students</u></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Other 1/</u></th> </tr> <tr> <th></th> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> </tr> </thead> <tbody> <tr> <td>A. Payroll Distribution Method (Individual time card/actual hours and rates)</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>B. Plan-Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>C. After-the-Fact Activity Records (Percentage Distribution of employee activity)</td> <td style="text-align: center;">_____ <u>X</u> _____</td> <td style="text-align: center;">_____ <u>X</u> _____</td> <td style="text-align: center;">_____ <u>X</u> _____</td> <td style="text-align: center;">_____ <u>X</u> _____</td> </tr> <tr> <td>D. Multiple Confirmation Records (Employee Reports prepared Each academic term, to account for employee's activities, direct and indirect charges are certified separately.)</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Y. Other(s) <u>1/</u></td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </tbody> </table>		<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)	_____	_____	_____	_____	B. Plan-Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)	_____	_____	_____	_____	C. After-the-Fact Activity Records (Percentage Distribution of employee activity)	_____ <u>X</u> _____	_____ <u>X</u> _____	_____ <u>X</u> _____	_____ <u>X</u> _____	D. Multiple Confirmation Records (Employee Reports prepared Each academic term, to account for employee's activities, direct and indirect charges are certified separately.)	_____	_____	_____	_____	Y. Other(s) <u>1/</u>	_____	_____	_____	_____
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Y. Other(s) <u>1/</u>	_____	_____	_____	_____																																					
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>_____ Yes  <u>  X  </u> No</p> <p style="text-align: center;"><u>1/</u> Describe on a Continuation Sheet.</p>																																								

Item No.	Item Description
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 Benefits Costs</u></p> <p>All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet <u>all</u> of the different types of fringe benefits which are classified and charged as direct costs, e.g., actual or accrued costs of vacation, holidays, sick leave, sabbatical leave, premium pay, social security, pension plans, post-retirement benefits other than pensions, health insurance, training, tuition, tuition remission, etc.)</p>
2.6.1	<p><u>Method of Charging Direct Fringe Benefits</u></p> <p>(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></p> <p>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>

1/ Describe on a Continuation Sheet.

Revision No. 1 Effective 07/01/2006  
 Revised May 30, 2008

Item No.	Item Description																								
2.8.0	<p><u>Cost Transfers</u></p> <p>When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants or contracts, is the credit amount for direct personal services, materials, other direct charges and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project (Consider transactions where the original charge and the credit occur in different cost accounting periods). Mark one, if "No", explain on a continuation sheet how the credit differs from original charge.)</p> <p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p>																								
2.9.0	<p><u>Interorganizational Transfers</u></p> <p>This item is directed only to those materials, supplies, and services which are, or will be transferred to you from other segments of the educational institution. (Mark the appropriate line(s) in each column to indicate the basis used by you as transferee to charge the cost or price of Interorganizational transfers or materials, supplies, and services to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, explain on a continuation sheet.)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Materials</u> (1)</th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Supplies</u> (2)</th> <th style="text-align: center; border-bottom: 1px solid black;"><u>Services</u> (2)</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;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>B. At full cost including indirect costs attributable to group or central office expenses.</td> <td style="text-align: center;"><u>  X  </u></td> <td style="text-align: center;"><u>  X  </u></td> <td style="text-align: center;"><u>  X  </u></td> </tr> <tr> <td>C. At established catalog or market price based on adequate competition.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Y. Other(s) 1/</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Z. Interorganizational transfers are not applicable.</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </tbody> </table> <p style="text-align: center; margin-top: 20px;">1/ Describe on a Continuation Sheet.</p>		<u>Materials</u> (1)	<u>Supplies</u> (2)	<u>Services</u> (2)	A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	B. At full cost including indirect costs attributable to group or central office expenses.	<u>  X  </u>	<u>  X  </u>	<u>  X  </u>	C. At established catalog or market price based on adequate competition.	_____	_____	_____	Y. Other(s) 1/				Z. Interorganizational transfers are not applicable.	_____	_____	_____
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Z. Interorganizational transfers are not applicable.	_____	_____	_____																						

Item  
No.

Revision No. 1 Effective 07/01/2006  
Revised May 30, 2008

Item Description

2.1.0

Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives

LSUHSC-NO follows the general guidelines in section D and E of OMB Circular A-21 in determining the treatment of costs as direct or indirect. Therefore, costs that can be identified specifically with a particular sponsored project, instructional activity, or other institutional activity, or can be directly assigned to such activities relatively easily with a high degree of accuracy, are treated as direct costs. Costs incurred for common or joint objectives which cannot be identified readily and specifically with a particular sponsored project, instructional activity or other institutional activity, are treated as indirect costs. LSUHSC-NO indirect costs are consistent with the definitions of specific indirect cost categories in section F of OMB Circular A-21.

Committed cost sharing expenses for salary and non-salary expenses are accounted for in the University's accounting records. (LSUHSC-NO Cost Sharing Policy and Procedures - effective date July 1, 2002).

LSUHSC-NO follows the guidelines specified in OMB Circular A-21 Section F.6.b revised as of May 10, 2004. These guidelines specify the normal treatment of certain costs commonly incurred by academic departments and research centers.

Every effort is made to classify costs incurred for the same purpose, in like circumstances, consistently as either direct or indirect costs as set forth in the LSUHSC-NO policy "Procedures for Charging Expenditures to Federally Sponsored Programs" dated June 30, 2002. As cited below, a specific policy has been established by LSUHSC-NO to help accomplish this objective.

Within academic departments and organized research units, major cost categories are treated as follows:

- Salaries and fringe benefits of faculty, professional staff (e.g. research associates), technicians, lab assistants, and graduate students associated with effort on research projects, instructional activities and other direct objectives, are treated as direct costs. Salaries and fringe benefits of faculty and professional staff associated with administrative activities are treated as indirect costs.
- Salaries and fringe benefits of administrative and clerical staff are normally treated as indirect costs, as required by section F.6.b of OMB Circular A-21. However, in accordance with supplementary guidance on this issue by OMB, these costs are treated as direct cost when the nature of the work performed under a particular project requires an extensive amount of administrative or clerical support which is significantly greater than the routine level of such services provided by academic departments. The costs meet the Federal criteria for direct charging. These situations are considered "unlike circumstances" under CAS 501. LSUHSC-NO has established a specific policy on this subject in the LSUHSC-NO policy entitled "Procedures for Charging Expenditures to Federally Sponsored Programs" which parallels the supplementary guidance from OMB. This policy was issued June 30, 2002 and is effective July 1, 2002.
- The costs of laboratory supplies, instructional supplies, animals, animal care and other specialized services, travel, consulting services and other items discussed in 2.2.0 and 2.7.0 easily identified with research, instruction or other direct cost objectives are treated as direct costs.
- Special repair and maintenance requests involving internal building operations and equipment which is identifiable to research projects, instructional activities or other direct objectives are charged directly based on actual utilization of services and cost-based charge rates.
- The treatment of office supplies, postage, local (basic) telephone costs and memberships are treated as indirect costs, except in "unlike circumstances". Specific criteria for "unlike circumstances" are detailed in the LSUHSC-NO policy cited above.



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2.1.0

Continued.

As indicated above, LSUHSC-NO's policies permit direct charges for administrative and clerical salaries, office supplies, postage, local telephone and memberships only under exceptional circumstances consistent with Section F.6.b of OMB A-21 and supplemental guidance issued by OMB. In implementing these policies LSUHSC-NO relies on the judgment of principal investigators and other responsible officials to determine whether these circumstances exists for a particular project, and requires that proposed direct charges for these costs be fully justified to sponsoring agencies in grant applications and contract proposals. If these costs have been approved through LSUHSC-NO's internal process and the sponsoring agency accepts the cost of a part of the direct cost budget (i.e. does not specifically disapprove the item in the award or other notification to LSUHSC-NO) LSUHSC-NO will consider the cost an appropriate direct cost of the project. But, if the sponsoring agency disapproves the cost, LSUHSC-NO will rely on the sponsoring agency's judgment that the cost did not meet the criteria for direct charging and will treat the cost as indirect cost, unless circumstances arise at a later date that justify direct charging of the costs.

2.2.0

Description of Direct Materials

At LSUHSC-NO, transactions for materials and supplies are predominately recorded and reported under various account codes. The principal types of supplies and materials that would be charged direct to Federally sponsored agreements or similar cost objectives under the various supply type account codes are as follows:

- Chemicals and Gases
- Medical and Surgical supplies
- Scientific supplies
- Minor equipment (not capitalized)
- Reprints, printing, and duplicating
- Computer software and supplies
- Research notebooks, books and technical or professional subscriptions.

2.4.0

Description of Direct Personal Services

The principal classes of direct personal service costs identified directly with Federally sponsored agreements are Faculty, Graduate Assistants, Professional Unclassified Staff, Classified Staff, Transient Staff, Student Staff and House Officers. The direct charges include salaries and related fringe benefits. Salaries and fringe benefits of administrative and clerical staff are charged directly under conditions described in 2.1.0.

Item No.	Item Description <span style="float: right;">Revision No. 1 Effective 07/01/2006</span>
2.5.1	<p><u>Salary and Wage Cost Distribution Systems</u></p> <p>The effort report systems identified in 2.5.0 does not cover the following individuals:</p> <p><u>Faculty, Graduate Assistants, and Professional Unclassified Staff:</u></p> <p>(1) Individuals who are not in an academic department and who do not have sponsored funding.</p> <p>(2) Individuals in an academic department who are exclusively paid from a non-sponsored account whose main function is academic support, student service, or scholarships &amp; fellowships.</p> <p><u>Classified Staff, Student Staff and Transient Staff:</u></p> <p>(1) Individuals who are not paid from sponsored accounts.</p> <p><u>Methods used to identify and distribute salaries and wages:</u></p> <p>The personal service expenses attributable to those individuals not included in the After-The-Fact Activity Reporting System are identified to cost objectives by the function of the account to which the personal expenses are charged. The exception to this is in academic departments for individuals not routinely covered by effort reporting, they are surveyed in the F&amp;A proposal fiscal year (Classified Staff, Student Staff and Transient Staff). For those individuals, a memorandum survey is used to determine the percent of their effort devoted to department administration.</p>
2.5.2	<p><u>Salary and Wage Cost Accumulation System</u></p> <p>The processes described below are used in each major function, activity, and department within the Health Sciences Center to accumulate salary and wage costs. The resulting payroll charges are accumulated by individual employees and in total for each account and department. The costs are recorded monthly or bi-weekly, as appropriate, to each payroll type.</p> <p>For all employees, the payroll process starts with the processing of a form called Personnel Employment Form 1 or (PER-1). This form is used to request budget authorization to appoint a specific approved and established job position. A PER-1 is not used for student staff and transient positions. The next step is initiated with the routing of a PER-2. A PER-2 is used to document the appointment of an individual to an authorized position. The next step is initiated with the routing of a PER-3. A PER-3 is used whenever some change occurs to record the salary level and the expected distribution of salary payments between accounts. In addition this form is used to record: 1) Terminations; 2) Retirement; 3) Leave of Absence; 4) Return from Leave of Absence; 5) New Address; 6) Transfer to a New Department; 7) Promotions; 8) Tenure Recommendations; 9) Name Change; 10) Change in Source of Funds; 11) Continuation of Appointment; 12) Additional Compensation; 13) Change in Salary account distributions.</p> <p><u>Monthly Employees:</u></p> <p>Employees under this category include Faculty, Graduate Assistants, and Professional Unclassified staff. At the end of each month, a payroll for these individuals is run which distributes their salary payments based on the current payroll personnel file records. In the following month, a time sheet is distributed to account for use of vacation and sick leave. The time and attendance sheets are signed by the employee and verified by the Department Head or designated representative. Time and Effort reports will be sent to all faculty/professional every six months, except for those exclusions identified in 2.5.1. These forms are used as LSUHSC-NO's compliance with After-the-Fact effort distribution certifications. These forms are signed by either the individual, the principle investigator, or another individual with first hand knowledge. If retroactive changes are needed then the department will route a PER-3 to correct the distributions.</p>

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2.5.2	<p><u>Continued:</u></p> <p><b>Bi-weekly Employees:</b></p> <p>Employees under this category include Classified staff, Transient Staff and Student Staff. At the end of each bi-weekly pay period a Time sheet is distributed. On this time sheet supervisors will indicate the total hours worked, vacation time, sick leave, and any overtime. Based on the information recorded on these forms and the account distributions recorded from the current payroll personnel file records, the payroll program will calculate the appropriate salary and distribution between accounts. Starting in FY2003, Time and Effort reports will be sent to all bi-weekly employees at the end of each quarter, except for those exclusions identified in 2.5.1. These forms are used as LSUHSC-NO's compliance with After-the-Fact effort distribution certifications. These forms are signed by either the individual, the principle investigator, or another individual with first hand knowledge. If retroactive changes are needed then the department will route a PER-3 to correct the distributions. If retroactive changes are needed then the department will route a PER-3 to correct the distributions.</p> <p><b>House Officers:</b></p> <p>The employees in this category are unique in that they frequently rotate between hospitals. Due to this condition, an on-line resident tracking system was created to appropriately distribute their salaries between accounts. This system maintains information on these individuals on a daily basis including information on their sick and vacation time. The information in this system is maintained by the academic departments. Prior to running the bi-weekly payroll, the records within the tracking system are locked for all records prior to the current payroll. The payroll is then run distributing the salaries based on the days and distributions within the tracking system records. At the end of each month, a Time and Effort report is produced for all individuals. These forms are used as LSUHSC-NO's compliance with After-the-Fact effort distribution certifications and Medicare requirements for the Hospitals which are billed for these services. These forms are signed by the departmental resident coordinator. If retroactive changes are needed, then the department will route a PER-3 to correct the distributions.</p> <p><b>Reconciliation of Salary and Wage Costs to Payroll Records:</b></p> <p>A reconciliation of salary and wage costs to the payroll records is not needed because the systems are integrated. The payrolls are run from the Human Resources Management System (HRMS) and fed directly into the accounting system. Any retroactive adjustments are also posted to the personnel records which in turn initiates the correction to the accounting system. All payroll retroactive adjustments are reflected on the time and effort report a result in a revised time and effort report being produced for certification.</p> <p><b>Cost Sharing:</b></p> <p>The University uses its time and effort system to document committed cost sharing for faculty, staff and students. Committed cost sharing for salary and other non-salary cost sharing expenditures is documented in accordance with LSUHSC-NO Cost Sharing Policy and Procedures - effective July 1, 2002. The time and effort certification system is used to document cost sharing for F&amp;A purposes as well as compliance.</p>
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Revised May 30, 2008

Item Description

2.6.0

Description of Direct Fringe Benefits Costs

The following direct fringe benefits are used in the computation of the University's fringe benefit rate charged to federal sponsored projects and similar cost objectives.

1. Premium sharing – the State of Louisiana sets the contribution to LSUHSC-NO employees for medical insurance and life insurance
2. Teachers Retirement for faculty and unclassified staff with rates established annually by the state
3. Optional Retirement Plan for faculty and unclassified staff who may elect to participate. This plan is administered by the Teachers' Retirement System. The rates used are the same as those established under Teachers Retirement.
4. Louisiana State Employees Retirement: for classified staff with rates and contribution percentage determined yearly by the state.
5. Louisiana Deferred Compensation an Alternative to Social Security (Section 457)
6. FICA Social Security and Medicare
7. Termination Pay
8. Worker's Compensation Insurance
9. Unemployment Insurance
10. Retiree Health & Life Insurance
11. Sabbatical Leave

2.6.1

Method of Direct Charging Fringe Benefits

Fringe Benefit Rate:

Fringe benefit costs are identified to each employee. The amount distributed to sponsored agreements and other activities is based on the application of the approved fringe benefit against the employee's salary. The rate is based on estimated fringe benefit costs prorated on the applicable gross salary distributions. At year end the rate is compared to actual costs. If any over/under recoveries occurred, the over/under recovery would be made a part of the computations for the next year's rate.

2.7.0

Description of Other Direct Costs

Other direct costs accumulated by account codes in the University's accounting system and charged to Federally Sponsored agreements based on the methods listed in section 2.1.0 are as follows:

- |                                    |                               |
|------------------------------------|-------------------------------|
| 1. Travel                          | 12. Animal Care               |
| 2. Conference Fees                 | 13. Hazardous Waste Removal   |
| 3. Patient Care                    | 14. Relocating Expenses       |
| 4. Printing and Duplicating        | 15. Express Mail              |
| 5. Publishing                      | 16. Equipment Rental & Leases |
| 6. Equipment Maintenance Contracts | 17. Equipment                 |
| 7. Equipment Repairs               | 18. Subcontracts & Subgrants  |
| 8. Gas Cylinder Rentals            | 19. Professional Services     |
| 9. Computer Rental & Leases        | 20. Student Aid               |
| 10. Patient Participant Fees       | 21. Photographic Services     |
| 11. Learning Resource Services     |                               |

This list should not be considered to be all inclusive.

Item No.	Item Description
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Instructions for Part III

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.

The following Allocation Base Codes are provided for use in connection with Items 3.1.0 and 3.3.0.

- A. Direct Charge or Allocation
- B. Total Expenditures
- C. Modified Total Cost Basis
- D. Modified Total Direct Cost Basis
- E. Salaries and Wages
- F. Salaries, Wages and Fringe Benefits
- G. Number of Employees (head count)
- H. Number of Employees (full-time equivalent basis)
- I. Number of Students (head count)
- J. Number of Students (full-time equivalent basis)
- K. Student Hours--classroom and work performed
- L. Square Footage
- M. Usage
- N. Unit of Product
- O. Total Production
- P. More than one base (Separate Cost Groupings) 1/
- Y. Other(s) 1/
- Z. Category or Pool not applicable

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

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No.

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Item Description

3.1.0

Indirect Cost Categories - Accumulation and Allocation

This item is directed at the identification, accumulation and allocation of all indirect costs of the institution. (Under the column heading, "Accumulation Method," insert "Yes" or "No" to indicate if the cost elements included in each indirect cost category are identified, recorded and accumulated in the institution's formal accounting system. If "No," describe on a continuation sheet, how the cost elements included in the indirect cost category are identified and accumulated. Under the column heading "Allocation Base," enter one of the allocation base codes A through P, Y, or Z, to indicate the basis used for allocating the accumulated costs of each indirect cost category to 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.")

Indirect Cost Category	Accumulation Method	Allocation Base Code	Allocation Sequence
(a) Depreciation/Use Allowances/Interest Building	YES	L	1
Equipment	YES	L	
Capital Improvements to Land 1/	YES	P	
Interest 1/	N/A	-	
(b) Operation and Maintenance	YES	L	2
(c) General Administration and General Expense	YES	D	3
(d) Departmental Administration	NO	D	
(e) Sponsored Projects Administration	YES	P	
(f) Library	YES	Y	
(g) Student Administration and Services	YES	Y	
(h) Other 1/	N/A		

1/ Describe on a Continuation Sheet

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

PART III- INDIRECT COSTS

NAME OF REPORTING UNIT  
LSU HEALTH SCIENCES CENTER NEW ORLEANS

Item  
No.

Revision No. 1 Effective 07/01/2006

Item Description

3.2.0

Service Centers

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.)

	(1)	(2)	(3)	(4)	(5)	(6)
(a) Scientific Computer Operations	Z					
(b) Business Data Processing	Z					
(c) Animal Care Facilities	A	A	A	A	A	Y
(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)	Z					
Learning Resources	C	A	A	A	A	Y
Medical Center Stores	A	A	C	A	A	B
Office Stores	C	A	C	A	A	B
Microsystems Sales and Services	C	A	C	A	A	B
Printing Services	C	A	C	A	A	B
Core Laboratories	A	A	C	A	A	B

- (1) Category Code: 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.
- (2) Burden Code: 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.
- (3) Billing Rate Code: 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).
- (4) User Charges Code: 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).
- (5) Actual Costs vs. Revenues Code: 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.
- (6) Variance Code: 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).

Item No.	Item Description																																										
3.3.0	<p><u>Indirect Cost Pools and Allocation Bases.</u> (Identify all of the indirect cost pools established for the accumulation of indirect costs, excluding service centers, and the allocation bases used to distribute accumulated indirect costs to Federally sponsored agreements or similar cost objectives within each major function or activity. For all applicable indirect cost pools, enter the applicable Allocation Base Code A through P, Y, or Z, to indicate the basis used for allocating accumulated pool costs to Federally sponsored agreements or similar cost objectives.)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 10%;"></th> <th style="text-align: left; width: 70%;"><u>Indirect Cost Pools</u></th> <th style="text-align: left; width: 20%;"><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td>A.</td> <td>Instruction</td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 20px;">X On-Campus</td> <td style="text-align: center;">D</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">X Off-Campus</td> <td style="text-align: center;">D</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">Other 1/</td> <td></td> </tr> <tr> <td>B.</td> <td>Organized Research</td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 20px;">X On-Campus</td> <td style="text-align: center;">D</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">X Off-Campus</td> <td style="text-align: center;">D</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">X Other 1/</td> <td></td> </tr> <tr> <td>C.</td> <td>Other Sponsored Activities</td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 20px;">X On-Campus</td> <td style="text-align: center;">D</td> </tr> <tr> <td></td> <td style="padding-left: 20px;">Off-Campus</td> <td></td> </tr> <tr> <td></td> <td style="padding-left: 20px;">Other 1/</td> <td></td> </tr> <tr> <td>D.</td> <td>Other Institutional Activities</td> <td></td> </tr> </tbody> </table>		<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A.	Instruction			X On-Campus	D		X Off-Campus	D		Other 1/		B.	Organized Research			X On-Campus	D		X Off-Campus	D		X Other 1/		C.	Other Sponsored Activities			X On-Campus	D		Off-Campus			Other 1/		D.	Other Institutional Activities	
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3.4.0	<p><u>Composition of Indirect Cost Pools.</u> (For each pool identified under Items 3.1.0 and 3.2.0, describe on a continuation sheet the major organizational components, subgroupings of expenses, and elements of cost included.)</p>																																										



Item No.	Item Description
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.     X   Yes</p> <p>B.        No 1/</p> <p style="text-align: center;">1/ Describe on a Continuation Sheet.</p>

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3.1.0	<p><u>Accumulation Method:</u></p> <p>(a) Not required</p> <p>(b) Not required.</p> <p>(c) Not required</p> <p>(d) Departmental Administration</p> <p>The administrative expenses of dean's offices are separately identified in the financial accounting system by department fund and program.</p> <p>The administrative expenses within academic departments are recorded, but not always separately identified in the financial accounting system. When these costs are not separately identified, they are accumulated based on the appropriate salaries of administrative and clerical job positions charged to those accounts identified as containing administrative expenses. The salaries identified above along with their appropriate share of non salary expenses are then adjusted based on the direct charge equivalent formula (DCE). The administrative expense for the faculty administrative allowance described in OMB Circular A-21, are not recorded in the financial accounting system.</p>	
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Item No.	Item Description
3.1.0 Cont.	<u>Allocation Base:</u> See section 3.5.0.
3.2.0	<u>Composition of Service Centers</u>
	<p>3.2.0(c) Animal Care Facilities The expenses under this heading are those that have been incurred for the management and administration of a centralized program of laboratory animal care, including costs for daily animal care, in some cases, purchase of live vertebrates from acceptable sources, quarantine and conditioning, housing, feeding and watering animals, veterinary care, cage and facility sanitation, research services including surgical assistance, monitoring, and training of personnel involved in the care and use of animals for research or teaching.</p>
	<p>3.2.0(d) Learning Resources Expenses under this heading are those that have been incurred in providing numerous audiovisual and classroom services. These services include instructional media production (art work, graphics, photography, slide making, video production, interactive media design, and web page design), classroom and laboratory scheduling, and audiovisual equipment repair and installation.</p>
	<p>3.2.0(d) Medical Center Stores Expenses under this heading are those that have been incurred for the purpose of purchasing commonly used research supplies for resale to the Health Sciences Center community. The costs also include equipment depreciation and utilities.</p>
	<p>3.2.0(d) Office Stores Expenses under this heading are those that have been incurred for the purpose of purchasing commonly used office supplies for resale to the Health Sciences Center community. The costs also include equipment depreciation and utilities.</p>
	<p>3.2.0(d) Microsystems Sales and Services Expenses under this heading are those that have been incurred for the purpose of providing the Health Sciences Center community with professional level technical assistance in procuring and maintaining personal computer software, hardware, and accessories. The costs also include equipment depreciation and utilities.</p>
	<p>3.2.0(d) Printing Services Expenses under this heading are those that have been incurred for the purpose of providing the Health Sciences Center community a wide variety of services from copies to bound course materials, small color posters, full color brochures, invitations, announcements, the Health Sciences Center commencement program, clinic forms, all Medical Center stationary, and other printed material. Graphic design services include color slide production, business card layout, test designs, typesetting, resumes, mailing labels, newsletter layout, and data transfer services. Decentralized duplicating services are provided throughout the Health Sciences Center. The costs also include equipment depreciation and utilities.</p>
	<p>3.2.0(d) Core Laboratories Provides instrumentation, analysis, synthesis, and techniques in the following areas of research support: Molecular Biology Protein, Peptide, and Nucleotide Lab; Phosphor imaging Service and Network; Florescence Activated Cell Sorting Laboratory Monoclonal Antibody Laboratory GC Mass Spectrometer Laboratory; Molecular Biology Computing Service; and Southern Regional Short Course on Molecular Biology, Theory and Instrumentation. Expenses under this heading are those that have been incurred for the purpose of providing these services along with the associated equipment depreciation and utility cost.</p>
	<p>(c6) &amp; (d6) Animal Care Facilities and Learning Resources These service centers are subsidized annually by an appropriation from the state. Each fiscal year, a new budget is established as a combination of estimated self generated revenues and state appropriation support.</p>

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3.4.0	<p><u>Composition of Indirect Cost Pools:</u></p> <p>3.1.0(a) Building Depreciation</p> <p>The cost components that are included in the building depreciation pool consist of University owned buildings, including any capitalized improvements made to those buildings. Within the PeopleSoft depreciation calculation; straight line depreciation is calculated by source of funds and Federal funds are separately identified and excluded for F&amp;A cost proposal purposes.</p> <p>3.1.0(a) Equipment Depreciation</p> <p>The equipment inventory includes all movable property defined as equipment by State Property Control regulations. Federal and non-Federal sponsored funded equipment is identified as such in the University's inventory system and excluded from the depreciation calculations. Within the PeopleSoft depreciation calculation; straight line depreciation is calculated by source of funds and Federal and non-Federal sponsored funds are separately identified and excluded for F&amp;A cost proposal purposes.</p> <p>3.1.0(a) Capital Improvements to Land</p> <p>Capital improvements to land are costs that cannot be specifically identified with a building or piece of equipment. These costs may include, but are not limited to, landscaping, irrigation, roads, sidewalks, parking lots, and campus lighting. Depreciation is calculated on a straight line basis.</p> <p>3.1.0(b) Operation and Maintenance</p> <p>The expenses under this heading are those that have been incurred for the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant. They include expenses normally incurred for such items as janitorial and utility services; repairs and ordinary or normal alterations of buildings, furniture and equipment; care of grounds; maintenance and operation of buildings and other plant facilities; security; disaster preparedness; environmental safety; hazardous waste disposal; property, liability and all other insurance relating to property; space and capital leasing; facility planning and management; and, central receiving. The operation and maintenance expense category also includes its allocable share of depreciation costs.</p> <p>3.1.0(c) General Administration and General Expenses</p> <p>The expenses under this heading are those that have been incurred for the general executive and administrative offices of the University, and other expenses of a general character which do not relate solely to any major function of the institution; i.e., solely to (1) instruction, (2) organized research, (3) other sponsored activities, or (4) other institutional activities. Examples include: The Chancellor's office, Vice Chancellors' offices, Accounting Services, Payroll Services, Budget and Planning, Human Resource Management, Purchasing, and Administrative Information Systems. Also included are costs from LSU Systems Offices. This category also includes its allocable share from Building Depreciation, Equipment Depreciation, Land Improvements and Operations and Maintenance.</p> <p>3.1.0(d) Departmental Administration</p> <p>The expenses under this heading are those that have been incurred for administrative supporting services that benefit common or joint departmental activities within deans' offices, academic departments and research centers. Costs here include but are not limited to: the salaries of administrative officers, their assistants and clerical staff, travel, office supplies, memberships, postage, telephone, and the 3.6% faculty administration allowance. The administrative expenses of deans' offices are separately identified in the financial accounting system. Administrative expenses within academic departments or research centers, when not separately identified in the accounting system, are determined via the Direct Charge Equivalent (DCE) methodology. This category also includes its allocable share from Building Depreciation, Equipment Depreciation, Land Improvements, Operations and Maintenance, and General Administration.</p>	
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3.4.0 cont.	<p>3.1.0(e) Sponsored Project Administration</p> <p>The expenses under this heading are limited to those costs incurred by separate offices established primarily to administer sponsored agreements. The offices included are: Office of Research Services (pre-award), Office of Sponsored Programs (post award) and the Institutional Review Board office for Human Subjects. Costs here include salaries, benefits and other expenses of the head of such units, assistants, and staff. Salaries of employees whose tasks solely involve research administration in the Medical School Dean's office are reclassified to sponsored project administration. Effective July 1, 2002, the Institutional Animal Care and Usage Committee for Animal will be included in SPA.</p> <p>This category also includes its allocable share from Building Depreciation, Equipment Depreciation, Land Improvements, Operations and Maintenance, and General Administration.</p> <p>3.1.0(f) Library</p> <p>The expenses under this heading are those that have been incurred for the operation of the library, including salaries, wages, fringe benefits, other operating costs, and the costs of books and other library materials, less any income which qualifies as an applicable credit. This category also includes its allocable share from Building Depreciation, Equipment Depreciation, Land Improvements, Operations and Maintenance, and General Administration.</p> <p>3.1.0(g) Student Administration and Services</p> <p>The expenses under this heading are those that have been incurred for the administration of student affairs and for services to students, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisers, financial aid, student health and infirmary services, catalogs, and commencements and convocations. This category also includes its allocable share from Building Depreciation, Equipment Depreciation, Land Improvements, Operations and Maintenance, and General Administration.</p>
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3.5.0

Composition of Allocation Bases

3.1.0(a) Depreciation/Use Allowance - Building (L-Square Footage)

Depreciation costs are allocated to all benefiting functions based on the functional use of space for each building (square footage per cost pool group). This basis consists of net assignable square footage by room within a building, department, and cost pool. Square footage is additionally identified to its functional use. Non assignable areas such as stairwells, rest rooms, and mechanical rooms are excluded

Cost pool groups benefiting from this allocation include Operations and Maintenance, General Administration, Departmental Administration, Sponsored Program Administration, Student Services Administration, Library, Instruction, Organized Research, Other Sponsored Activity and Other Institutional Activity.

3.1.0(a) Depreciation/Use Allowance - Equipment (L-Square Footage)

Depreciation charges are calculated in PS Asset system. Depreciation on equipment identifiable to a specific building is allocated on the basis of functional use of assignable square footage for each room. See description under Depreciation/Use Allowance - Building above.

Cost pool groups benefiting from this allocation include Operations and Maintenance, General Administration, Departmental Administration, Sponsored Program Administration, Student Services Administration, Library, Instruction, Organized Research, Other Sponsored Activity and Other Institutional Activity.

3.1.0(a) Depreciation/Use Allowance - Land Improvements (P- More than one base).

Depreciation charges for land improvements are first allocated based on full-time equivalency (FTE) Employees and students. A second allocation for employees is based on employee salaries and wages by function.

The amount allocated for students is assigned to instruction. The cost pool groups benefiting from the employee allocation include Operations and Maintenance, General Administration, Departmental Administration, Sponsored Program Administration, Student Services Administration, Library, Instruction, Organized Research, Other Sponsored Activity, and Other Institutional Activity.

3.1.0(b) Operations and Maintenance (L-Square Footage)

Operations and maintenance costs are allocated to the major functions based on square footage with the exception of rental expense. Expenses related to rental of off-campus non university facilities are allocated directly to the benefiting functions utilizing the facilities.

Cost pool groups benefiting from this allocation include General Administration, Departmental Administration, Sponsored Program Administration, Student Services Administration, Library, Instruction, Organized Research, Other Sponsored Activity and Other Institutional Activity.

3.1.0(c) General Administration (D-MTDC)

General Administrative costs are allocated in two steps. The first step identifies those General Administrative offices of the LSU System which benefit more then one segment of the LSU Health Sciences Center. The offices allocated in this step are identified in LSUHSC-NO's section 7.2.0(C).

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3.5.0

Continued.

The second step for allocating General Administrative costs takes those costs allocated above to LSUHSC-NO along with the other General Administrative costs which exclusively benefits LSUHSC-NO and allocates these costs based on Modified Total Costs for each cost pool.

The Modified Total Direct Cost Basis includes all: salaries and wages, fringe benefits, materials and supplies, services, service center charges, travel, and first \$25,000 of each subaward. Equipment, capital expenditures, charges for patient care, tuition remission, rental costs, and student financial aid, as well as the portion of each subawards in excess of \$25,000 are excluded. Other items are excluded where necessary to avoid a serious inequity in the distribution of indirect costs.

Cost pool groups benefiting from this allocation include Departmental Administration, Sponsored Program Administration, Student Services Administration, Library, Instruction, Organized Research, Other Sponsored Activity, Unallowables, and Other Institutional Activity.

3.1.0(d) Departmental Administration (D-MTDC)

The base for allocation of departmental administrations composed of modified total direct costs as per General and General Administration description. With the exception of the Allied Health School as described below. Departmental Administration is allocated in two steps. First, the administrative expenses of the dean's office of each school are allocated to the academic departments and research centers within that school on the modified total direct cost basis. Second, the administrative expenses of each academic department or research center and its share of the deans office is allocated to the appropriate functions of the academic department or research center on the modified total direct cost basis.

Cost pool groups benefiting from the allocation of Departmental Administration can include Instruction, Organized Research, Other Sponsored Activity and Other Institutional Activity

3.1.0(e) Sponsored Project Administration (P-More than one base)

The expenditures relating to the Office of Research Services (pre award), Office of Sponsored Programs (post-award) and IRB Office of Human Subjects are allocated based on modified total direct cost for those sponsored projects for which these offices are responsible. Sponsored projects such as those providing House Officers or Doctors services to area hospitals and clinics or Gifts are not administered by these offices and thus, are excluded from the base for allocation.

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3.5.0

Continued.

The expenditures related to the Sponsored Projects Office (post award) are allocated to all sponsored projects on the basis of modified total direct cost.

The Modified Total Direct Cost Basis includes all direct: salaries and wages, fringe benefits, materials and supplies, services, service center charges, travel, and the first \$25,000 of each subaward. Equipment, capital expenditures, charges for patient care, tuition remission, rental costs, and student financial aid, as well as the portion of each subaward in excess of \$25,000 are excluded. Other items are excluded where necessary to avoid a serious inequity in the distribution of indirect costs.

Cost pool groups benefiting from the allocation of Sponsored Project Administration include Instruction, Organized Research, and Other Sponsored Activity.

3.1.0(f) Library (Y-Other)

Library costs are allocated based on the default methodology contained in OMB Circular A-21 Section F.8.

Cost pool groups benefiting from the allocation of the Library pool include Instruction, Organized Research, Other Sponsored Activity, and Outside users.

3.1.0(g) Student Administration & Services (Y-Other)

The Student Administration & Services cost pool is allocated to Instruction.



COST ACCOUNTING STANDARDS BOARD  
DISCLOSURE STATEMENT  
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PART IV - DEPRECIATION AND USE  
ALLOWANCES  
NAME OF REPORTING UNIT  
LSU HEALTH SCIENCES CENTER NEW ORLEANS

Item  
No.

Item Description

Part IV

4.1.0

Depreciation Charged to Federally Sponsored Agreements or Similar Cost Objectives

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

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 Z 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.)

Column (1)--Depreciation Method Code  
A. Straight Line  
B. Expensed at Acquisition  
C. Use Allowance  
Y. Other or more than one method 1/

Column (2)--Useful Life Code  
A. Replacement Experience  
B. Term of Lease  
C. Estimated service life  
D. As prescribed for use allowance by Office of Management and Budget Circular No. A-21  
Y. Other or more than one method 1/

Column (3)--Property Unit Code

Column (4)--Residual Value Code

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

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

1/ Describe on a Continuation Sheet.

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            B. <input type="checkbox"/> No 1/</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 change on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Yes 1/            B. <input checked="" type="checkbox"/> No</p>
4.3.0	<p><u>Treatment of Gains and Losses on Disposition of Depreciable Property.</u> Gains and losses are: (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Excluded from determination of sponsored agreements costs            B. <input checked="" type="checkbox"/> Credited or charged currently to the same pools to which the depreciation of the assets was originally charged            C. <input type="checkbox"/> Taken into consideration in the depreciation cost basis of the new items, where trade-in is involved            D. <input type="checkbox"/> Not accounted for separately, but reflected in the depreciation reserve account            Y. <input type="checkbox"/> Other(s) 1/            Z. <input type="checkbox"/> Not applicable</p>
4.4.0	<p><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           \$5,000            B. Minimum Life Years                2 YEARS</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 1/            B. <input checked="" type="checkbox"/> No</p>
	<p style="text-align: center;">1/ Describe on a Continuation Sheet.</p>

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No.

Revision No. 1 Effective 07/01/2006  
Revised May 30, 2008

Item Description

4.4.0

Criteria for Capitalization:

Equipment items over \$5,000 with a life expectancy minimum of two years are capitalized.

Software with a cost over \$5,000 or greater is capitalized.

Building or land improvements are capitalized if the project adds value to the building or land.  
Replacement projects are not capitalized.

All new building construction projects are capitalized.

Remodeling and Repairs over \$5,000 are capitalized

Item No.	Item Description
<u>Part V</u>	
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. <input checked="" type="checkbox"/> Cash            B. <input type="checkbox"/> Accrual 1/</p>
5.2.0	<p><u>Applicable Credits.</u> This item is directed at the treatment of "applicable credits" as defined in Section C of Circular OMB 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. <input type="checkbox"/> The credits/receipts are offset against the specific direct or indirect costs to which they relate.            B. <input type="checkbox"/> The credits/receipts are handled as a general adjustment to the indirect pool.            C. <input type="checkbox"/> The credits/receipts are treated as income and are not offset against costs.            D. <input checked="" type="checkbox"/> Combination of methods 1/            Y. <input type="checkbox"/> Other 1/</p>
1/ Describe on a Continuation Sheet.	

COST ACCOUNTING STANDARDS BOARD  
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CONTINUATION SHEET  
PART V  
NAME OF REPORTING UNIT  
LSU HEALTH SCIENCES CENTER NEW ORLEANS

Item  
No.

Revision No. 1 Effective 07/01/2006

Item Description

5.2.0

Applicable Credits

All discounts, rebates or allowances are offset against the specific direct or indirect costs to which they relate. In some circumstances certain types of income are appropriately treated as an applicable credit for indirect cost computations. In such circumstances a general adjustment is made to the appropriate cost pool.

Item No.	Item Description								
	<p style="text-align: center;"><u>Instructions for Part VI</u></p> <p>This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits) and insurance. Some organizations may incur all of these costs at the main campus level or for public institutions at the governmental unit level, while others may incur them at subordinate organization levels. Still others may incur a portion of these costs at the main campus level and the balance at subordinate organization levels.</p> <p>Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to Federally sponsored agreements are material, the reporting unit 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> <p>6.1.0 <u>Pension Plans.</u></p> <p>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.)</p> <table border="0" style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="text-align: left;"><u>Type of Plan</u></th> <th style="text-align: right;"><u>Number of Plans</u></th> </tr> </thead> <tbody> <tr> <td>A    X    Institution employees participate in State/Local Government Retirement Plan(s)</td> <td style="text-align: right; vertical-align: bottom;">2</td> </tr> <tr> <td>B.   X    Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution</td> <td style="text-align: right; vertical-align: bottom;">4</td> </tr> <tr> <td>C.        Institution has its own Defined-Contribution Plan(s) 1/</td> <td style="text-align: right; vertical-align: bottom;">_____</td> </tr> </tbody> </table> <p>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.)</p> <p>6.2.0 <u>Post Retirement Benefits Other Than Pensions (including post retirement health care benefits) (PRBs).</u> (Identify on a continuation sheet all PRB plans whose costs are charged to Federally sponsored agreements. For each plan listed, state the plan name and indicate the approximate number and type of employees covered by each plan.)</p> <p>Z. [ ] Not Applicable</p>	<u>Type of Plan</u>	<u>Number of Plans</u>	A    X    Institution employees participate in State/Local Government Retirement Plan(s)	2	B.   X    Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	4	C.        Institution has its own Defined-Contribution Plan(s) 1/	_____
<u>Type of Plan</u>	<u>Number of Plans</u>								
A    X    Institution employees participate in State/Local Government Retirement Plan(s)	2								
B.   X    Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	4								
C.        Institution has its own Defined-Contribution Plan(s) 1/	_____								
	1/ Describe on a Continuation Sheet.								

COST ACCOUNTING STANDARDS BOARD  
DISCLOSURE STATEMENT  
REQUIRED BY PUBLIC LAW 100-679  
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PART VI- DEFERRED COMPENSATION AND  
INSURANCE COSTS  
NAME OF REPORTING UNIT  
LSU HEALTH SCIENCES CENTER NEW ORLEANS

Item No.	Item Description
6.2.1	<u>Determination of Annual PRB Costs.</u> (On a continuation sheet, indicate whether PRB costs charged to Federally sponsored agreements are determined on the cash or accrual basis of accounting. If costs are accrued, describe the accounting practices used, including actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)
6.3.0	<p><u>Self-Insurance Programs (Employee Group Insurance).</u> Costs of the self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)</p> <p>A. When accrued (book accrual only)            B. When contributions are made to a nonforfeitable fund            C. When contributions are made to a forfeitable fund            D. When the benefits are paid to an employee            E. When amounts are paid to an employee welfare plan            Y. <input checked="" type="checkbox"/> Other or more than one method 1/            Z. Not Applicable</p>
6.4.0	<u>Self-Insurance Programs</u> (Workers Compensation, Liability and Casualty Insurance.)
6.4.1	<p><u>Workers Compensation and Liability.</u> Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)</p> <p>A. When claims are paid or losses are incurred (no provision for reserves)            B. When provisions for reserves are recorded based on the present value of the liability            C. When provisions for reserves are recorded based on the full or undiscounted value, as contrasted with present value, of the liability            D. When funds are set aside or contributions are made to a fund            Y. <input checked="" type="checkbox"/> Other or more than one method 1/            Z. Not Applicable</p>
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. When losses are incurred (no provision for reserves)            B. When provisions for reserves are recorded based on replacement costs            C. When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles            D. Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves)            Y. <input checked="" type="checkbox"/> Other or more than one method 1/            Z. Not Applicable</p>
	<p>1/ Describe on a Continuation Sheet.</p>

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6.1.2	<p><u>Defined Benefit Pension Plan</u></p> <p>All LSUHSC-NO Defined Benefit Pension Plans are managed by one of the two State Systems, State Employees Retirement or Teachers Retirement. These systems determine yearly the contribution percentages for employee and employer match for all retirement plans at LSUHSC-NO. The funds derived from the Louisiana State Employees Retirement and Teachers Retirement plans are invested by them. The funds derived from the Optional Retirement Plan and the Deferred Compensation Plan is forwarded by Teachers Retirement to one of the four private companies administering the funds. Those employees under the Optional Retirement Plan can choose TIAA-CREF, AIG VALIC, or ING/Aetna. For those employees under the Deferred Compensation Plan funds are invested with Great West Life.</p>										
6.2.0	<p><u>Post Retirement Benefits</u></p> <p>Post Retirement Benefits include Retiree Health Insurance and Retiree Life Insurance. The approximate number and types of employees covered by these plans is as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Health</u></th> <th style="text-align: center;"><u>Life</u></th> </tr> </thead> <tbody> <tr> <td>Faculty and Unclassified staff</td> <td style="text-align: center;">246</td> <td style="text-align: center;">169</td> </tr> <tr> <td>Classified Staff</td> <td style="text-align: center;">305</td> <td style="text-align: center;">259</td> </tr> </tbody> </table>		<u>Health</u>	<u>Life</u>	Faculty and Unclassified staff	246	169	Classified Staff	305	259	
	<u>Health</u>	<u>Life</u>									
Faculty and Unclassified staff	246	169									
Classified Staff	305	259									
6.2.1	<p><u>Determination of Annual PRB Cost</u></p> <p>The rates for retired employees for those PRB benefits identified in 6.2.0 are determined yearly by the State Employees Group Benefits Office. These rates are used to determine the costs at LSUHSC-NO for the applicable retired employees.</p>										
6.3.0	<p><u>Self-Insurance Employee Group Insurance</u></p> <p>Self-Insurance for Employee Group Insurance is administered by Definity Health Plan. The University deposits money into a personal care account and is applied toward the employees deductible. If expenses exceed the personal care account then the employee is responsible for the deductible based on the level of coverage.</p>										
6.4.1	<p><u>Workers Compensation and Liability</u></p> <p>The University does not self insure Workers Compensation. The costs for this insurance are distributed and managed by the State Office of Risk Management.</p>										
6.4.2	<p><u>Casualty Insurance</u></p> <p>The University does not self insure Casualty Insurance. The costs for this insurance are distributed and managed by the State Office of Risk Management.</p>										



Item No.	Item Description
	<p style="text-align: center;"><u>Instructions for Part VII</u></p> <p>This part should be completed <u>only</u> by the central system office or a group office of an educational system when that office is responsible for administering two or more segments, where it allocates its costs to such segments and where at least one of the segments is required to file Parts I through VI of the Disclosure Statement.</p> <p>The reporting unit (central system or group office) should disclose how costs of services provided by the reporting unit are, or will be, accumulated and allocated to applicable segments of the institution. For a central system office, disclosure should cover the entire institution. For a group office, disclosure should cover all of the subordinate organizations administered by that group office.</p> <p>7.1.0 <u>Organizational Structure.</u> On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.</p> <p>7.2.0 <u>Cost Accumulation and Allocation.</u> On a continuation sheet, provide a description of:</p> <p>A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc.), in brief.</p> <p>B. How the costs of the services are identified and accumulated.</p> <p>C. The basis used to allocate the accumulated costs to the benefiting segments.</p> <p>D. Any costs that are transferred from a segment to the central system office or the intermediate administrative office, and which are reallocated to another segment(s). If none, so state.</p> <p>E. Any fixed management fees that are charged to a segment(s) in lieu of a prorata or allocation basis and the basis of such charges. If none, so state.</p>

Item No.	Item Description
7.1.0	<p style="text-align: right;">Revision No. 1 Effective 07/01/2006</p> <p><u>List all segments of the university or university system:</u></p> <p>Louisiana State University System includes the following segments:            LSU Agricultural and Mechanical College            LSU Agricultural Center            Herbert Law Center            LSU at Eunice            University of New Orleans            LSU in Shreveport            LSU at Alexandria            LSU Health Sciences Center – New Orleans            LSU Health Sciences Center – Shreveport            LSU Health Sciences Center - Health Care Services Division (includes eight separate hospitals)            Pennington Biomedical Research Center</p> <p><u>Cost Accumulation and Allocation:</u></p> <p>7.2.0</p> <p>A. The services provided to segments of the university or university system (including hospitals, FFRDC's, GOCO facilities, etc.), in brief.</p> <p>The System functions of allocating resources, implementing policy, and working within the structure of governance make it possible for the constituent campuses to provide quality instruction, to support faculty research programs, and to serve the community and the state. Our mission is to redefine and improve the core functions that are normally associated with central administration including:</p> <ul style="list-style-type: none"> <li>• Strategic planning and consensus building among all levels of higher education</li> <li>• Appointing, evaluating, and developing campus level chief operating officers.</li> <li>• Fostering collaboration among and between campuses.</li> <li>• Serving as an advocate about the needs of higher education</li> <li>• Providing a liaison between state government and the campuses within the system.</li> <li>• Making recommendations on the allocation of capital and operating resources.</li> <li>• Auditing and assessing the use of funds and the cost effective performance of the campuses.</li> </ul> <p>B. How the costs of the services are identified and accumulated.</p> <p>Costs for the LSU System Office are recorded in the Financial Reports along with all campuses and centers that it governs. These costs include but are not limited to:</p> <ul style="list-style-type: none"> <li>• President's Office</li> <li>• Executive Vice President and Finance and Administrative Offices</li> <li>• Academic Affairs</li> <li>• Vice President for Facilities</li> <li>• Internal Audit</li> </ul> <p>C. The basis used to allocate the accumulated costs to the benefiting segments.</p> <p>The allowable costs of the LSU System are allocated to all institutions based on a Modified Total Direct Cost.</p> <p>D. Any costs that are transferred from a segment to the central system office... <u>None</u></p> <p>E. Any fixed management fees that are charged to a segment(s)... <u>None</u></p>