

COST ACCOUNTING STANDARDS BOARD
DISCLOSURE STATEMENT FOR EDUCATIONAL INSTITUTIONS

Loyola University Chicago

CASB DS-2

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

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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	GENERAL INSTRUCTIONS
<p>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).</p> <p>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.</p> <p>3. Each segment or business unit required to disclose its cost accounting practices should complete the Cover Sheet, the Certification, and Parts I through VI.</p> <p>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.</p> <p>5. The Statement must be signed by an authorized signatory of the reporting unit.</p> <p>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.</p> <p>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.</p> <p>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 to the pertinent Disclosure Statement Part. In such cases, the reporting unit should provide the date of issuance and effective date for each accounting policy and/or procedures document cited. Any supplementary comments needed to fully describe the cost accounting practice being disclosed should also be provided.</p> <p>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 to the Government (Also see 48 CFR 9903.202-3).</p> <p>10. Amendments shall be submitted to the same offices to which submission would have to be made were an original Disclosure Statement being filed.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	GENERAL INSTRUCTIONS
<p>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.</p> <p>ATTACHMENT - Blank Continuation Sheet</p> <p>ii</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	COVER SHEET AND CERTIFICATION
0.1	<p>Educational Institution</p> <p>(a) Name Loyola University Chicago</p> <p>(b) Street Address 820 North Michigan Avenue</p> <p>(c) City, State and ZIP Code Chicago, IL 60611</p> <p>(d) Division or Campus of (if applicable) Water Tower Campus</p>
0.2	<p>Reporting Unit is: (Mark one.)</p> <p>A. _____ Independently Administered Public Institution</p> <p>B. <u> X </u> Independently Administered Nonprofit Institution</p> <p>C. _____ 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: William G. Laird, Vice President for Finance, CFO & Treasurer</p> <p>(b) Phone Number (include area code and extension): (312) 915-7798</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): June 30, 2006</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: DHHS, Division of Cost Allocation, Dallas, TX (214) 767-3261</p> <p>B. Cognizant Federal Auditor: DHHS-Office of Inspector General</p>

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

COVER SHEET AND CERTIFICATION

CERTIFICATION

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

Date of Certification:

September 12, 2006

William G. Laird
(Signature)

William G. Laird
(Print or Type Name)

Vice President for Finance, CFO & Treasurer
(Title)

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART I - GENERAL INFORMATION NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
	Part I	
1.1.0	<p>Description of Your Cost Accounting System for recording expenses charged to Federally sponsored agreements (e.g., contracts, grants and cooperative agreements). (Mark the appropriate line(s) and if more than one is marked, explain on a continuation sheet.)</p> <p>A. _____ Accrual</p> <p>B. _____ Modified Accrual Basis</p> <p>C. _____ Cash Basis</p> <p>Y. <u> X </u> Other¹</p> <p>(1) Loyola University Chicago (University) utilizes the Modified Cash Basis of accounting for recording expenses distributed to sponsored agreements. Direct expenses for goods and contractual services are charged to sponsored agreements as vendor invoices and receiving reports are posted. Payrolls are not charged, however, until payments to employees are processed (i.e., on a cash basis).</p>	
1.2.0	<p>Integration of Cost Accounting with Financial Accounting. The cost accounting system is: (Mark one. If B or C is marked, describe on a continuation sheet the costs which are accumulated on memorandum records.)</p> <p>A. _____ Integrated with financial accounting records (Subsidiary cost accounts are all controlled by general ledger control accounts.)</p> <p>B. _____ Not integrated with financial accounting records (Cost data are accumulated on memorandum records.)</p> <p>C. <u> X </u> Combination of A and B</p> <p>(1) Direct costs, excluding year-end accruals and adjustments, are fully integrated with the financial accounting system.</p> <p>(2) Most accruals are not recorded to specific cost objectives until paid.</p> <p>(3) Year-end adjustments and reclassifications are not recorded to specific cost objectives until the subsequent accounting period.</p> <p>(4) Adjustments and reclassifications are necessary to develop the cost pools required by OMB Circular A-21. These adjustments and reclassifications are listed and explained in the schedules in the University's proposal.</p> <p>(5) Departmental administration is recorded in the financial accounting system, but analysis is done to comply with circular A-21.</p>	
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1.3.0	<p>(6) Depreciation is calculated in a formal system that is not integrated with the financial accounting system; depreciation is recorded in the financial accounting system.</p> <p>(7) Cost sharing is recorded in the financial accounting system and identified on schedules that are not integrated with the financial accounting system.</p> <p>Unallowable Costs. Costs that are not reimbursable as allowable costs under the terms and conditions of Federally sponsored agreements are: (Mark one)</p> <p>A. _____ Specifically identified and recorded separately in the formal financial accounting records.¹</p> <p>B. _____ Identified in separately maintained accounting records or workpapers.¹</p> <p>C. _____ Identifiable through use of less formal accounting techniques that permit audit verification.¹</p> <p>D. <u> X </u> Combination of A, B or C¹</p> <p>E. _____ Determinable by other means.¹</p> <p>1. Sensitive direct costs, like foreign travel, equipment purchases, sub-recipients, and consultants are monitored by the University Office of Sponsored Programs Accounting (SPA). Other direct costs are monitored by SPA when a proposed expenditure exceeds specific dollar thresholds.</p> <p>2. All expenditures are recorded to specific expenditure account codes within specific accounting unit (organization) and account (natural expenditure) codes established in the University Controller's office and used by the various departments. Accounting unit and account codes have been established for unallowable costs. Central financial personnel and department personnel are responsible for reviewing expenditures for misclassifications prior to their inclusion in the F&A proposal.</p> <p>3. During the preparation of the University's F&A proposal, the formal accounting records are further reviewed to ensure that unallowable costs and unallowable activities have been properly identified and eliminated from the indirect cost pools.</p>	
1.3.1	<p>Cost Treatment of Unallowable Costs. (Explain below 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.).</p> <p>Unallowable costs are not charged to sponsored agreements as either direct or indirect costs. Costs directly associated with unallowable costs (as defined in Cost Accounting Standards 505) are also excluded from charges to sponsored agreements. As required by Cost Accounting Standard 505, where unallowable costs would normally be part of a regular indirect cost allocation base, they remain in that base.</p>	

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1.4.0	<p>Accounting Period: (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.)</p> <p>The accounting period for the University is <u>July 1 to June 30.</u></p>	
1.5.0	<p>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.</p> <p>There are no such state laws or regulations applicable to the University.</p>	
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART II - DIRECT COSTS <hr/> NAME OF REPORTING UNIT: Loyola University Chicago
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Item No.	Item Description
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2.1.0	<p style="text-align: center;">Instructions for Part II</p> <p>Institutions should disclose what costs are, or will be, charged directly to Federally sponsored agreements or similar cost objectives as Direct Costs. It is expected that the disclosed cost accounting practices (as defined at 48 CFR 9903.302-1) for classifying costs either as direct costs or indirect costs will be consistently applied to all costs incurred by the reporting unit.</p> <p>Criteria for Determining How Costs are Charged to Federally Sponsored Agreements or Similar Cost Objectives. (For all major categories of cost under each major function or activity, such as instruction, organized research, other sponsored activities and other institutional activities, describe on a continuation sheet, your criteria for determining when costs incurred for the same purpose, in like circumstances, are treated either as direct costs only or as indirect costs only with respect to final cost objectives. Particular emphasis should be placed on items of cost that may be treated as either direct or indirect costs (e.g., Supplies, Materials, Salaries and Wages, Fringe Benefits, etc.) depending upon the purpose of the activity involved. Separate explanations on the criteria governing each direct cost category identified in this Part II are required. Also, list and explain if there are any deviations from the specified criteria.)</p> <p>The University follows the guidelines in sections D and E of Circular A-21 in determining the treatment of costs as direct or indirect. Accordingly, 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 and with a high degree of accuracy, are treated as direct costs. Conversely, costs incurred in 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. The University's indirect costs are consistent with the definitions of specific indirect costs categories in section F of Circular A-21.</p> <p>The University also follows the guidelines in section F.6.b of Circular A-21 which specifies the normal treatment of certain costs commonly incurred by academic departments and organized research units.</p> <p>Every effort is made to classify costs incurred for the same purpose, in like circumstances, consistently as either direct or indirect costs. As cited later in this section, specific policies have been established by the University to help accomplish this objective.</p> <p>Within academic departments and organized research units, major cost categories are treated as follows:</p> <ul style="list-style-type: none"> • Salaries and fringe benefits of faculty, professional staff, post-doctoral fellows, laboratory technicians, and students associated with direct efforts on sponsored projects, instructional activities and other direct cost objectives are treated as direct costs. • Tuition remission provided to graduate students for work on sponsored projects and teaching activities is also treated as a direct cost. • Salaries and fringe benefits of college work-study students and other hourly employees are treated as direct costs when applicable. • Salaries and fringe benefits of faculty and professional staff associated with administrative activities are treated as indirect costs (limited to the 3.6% Faculty Admin. Allowance). <p style="text-align: center;">II - 1</p>
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COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS <hr/> NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
	<ul style="list-style-type: none"> • Salaries and fringe benefits of administrative and clerical staff are normally treated as indirect costs, as required by section F.6.b of Circular A-21. In accordance with section F.6.b and Exhibit C of Circular A-21, these costs are treated as direct costs when the nature of the work performed under a particular project requires an extensive amount of administrative or clerical support and the costs meet the general criteria for direct charging in Circular A-21 (i.e., can be identified specifically with the project). These situations are considered “unlike circumstances” under Cost Accounting Standard 502. • The cost of laboratory supplies (e.g. chemicals, glassware, etc.) instructional supplies, animals, travel, consulting services, long distance telephone toll charges and the other items enumerated in sections 2.2.0 and 2.7.0 as identifiable to research, instruction, or other direct cost objectives are treated as direct costs. • The costs of office supplies, postage, local (basic) telephone costs, and memberships are treated as indirect costs except when such costs are considered by the University to be “unlike circumstances” under Cost Accounting Standard 502. • Costs normally treated as indirect, such as administrative and clerical salaries and related fringe benefits, may be charged directly to non-federal sponsored agreements if permitted by the sponsor. • Direct costs are assigned by one or more of the following procedures: <ol style="list-style-type: none"> 1. Specific identification of costs incurred solely to advance the work of the sponsored agreement or other University activity. 2. Recharge center costs identified to a specific sponsored agreement or other University activity based on actual usage of services and cost based charge-out rates. 3. Allocation of cost that benefits projects or activities in proportions that can easily be determined and charged directly. (Example: Supplies purchased for three different projects are allocated in the proportions used.) • To assure consistent treatment of costs between sponsored agreements and non-sponsored activities, “Direct Charge Equivalents” (DCEs) are used to assign an appropriate amount of departmental general fund expenses (e.g., general support salaries, travel, telephone expenses, etc.) directly to instruction and other non-sponsored direct cost objectives. DCEs are mathematical formulas, which estimate the portion of general fund expenses that should be assigned directly to non-sponsored activities, and the portion that should be included in the departmental administration indirect cost pool. The use of DCEs is a long established accounting convention at academic institutions that is designed to help achieve consistent treatment of costs as required by Circular A-21 and Cost Accounting Standard 502, and at the same time recognize the generally accepted accounting practices of the institutions. 	

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2.2.0	Description of Direct Materials. All materials and supplies directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the principal classes of materials which are charged as direct materials and supplies.) The principal classes of materials charged as direct materials and supplies include: 1. Laboratory supplies (e.g., chemicals, glassware, metals, gases, and safety supplies) 2. Computer software and supplies 3. Animals 4. Expendable equipment (equipment with a unit cost less than \$5,000).	
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Item No.	Item Description	
2.3.0	Method of Charging Direct Materials and Supplies. (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. _____ Actual Invoiced Costs B. <u> X </u> Actual Invoiced Costs Net of Discounts Taken Y. _____ Other(s) ¹ Z. _____ Not Applicable	
2.3.2	Inventory Requisitions from Central or Common, Institution-owned Inventory. (Identify the inventory valuation method used to charge projects): A. _____ First In, First Out B. _____ Last In, First Out C. _____ Average Costs ¹ D. _____ Predetermined Costs ¹ Y. _____ Other(s) ¹ Z. <u> X </u> Not Applicable	
2.4.0	Description of Direct Personal Services. All personal services directly identified with Federally sponsored agreements or similar cost objectives. (Describe on a continuation sheet the personal services costs within each major institutional function or activity that are charged as direct personal services.) Principal categories of personal service costs charged directly to federally sponsored agreements are faculty, professional staff, post-doctoral fellows, laboratory technicians, graduate research assistants and other student workers. Their compensation includes both salaries and wages and related fringe benefits where appropriate. Compensation also includes tuition remission for graduate students. Salaries and fringe benefits of administrative and clerical staff are charged directly under the conditions described in 2.1.0.	

¹ Describe on a Continuation Sheet.

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Item No.	Item Description																																							
2.5.0	<p>Method of Charging Direct Salaries and Wages. (Mark the appropriate line(s) for each Direct Personal Services Category to identify the method(s) used to charge direct salary and wage costs to Federally sponsored agreements or similar cost objectives. If more than one line is marked in a column, fully describe on a continuation sheet, the applicable methods used.)</p> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="4" style="text-align: center; border-bottom: 1px solid black;">Direct Personal Services Category</th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Faculty (1)</th> <th style="text-align: center; border-bottom: 1px solid black;">Staff (2)</th> <th style="text-align: center; border-bottom: 1px solid black;">Students (3)</th> <th style="text-align: center; border-bottom: 1px solid black;">Other¹ (4)</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">A. Payroll Distribution Method (Individual time card/actual hours and rates)</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_X_</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="padding: 5px;">B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="padding: 5px;">C. After-the-fact Activity Records (Percentage Distribution of employee activity)</td> <td style="text-align: center; border-bottom: 1px solid black;">_X_</td> <td style="text-align: center; border-bottom: 1px solid black;">_X_</td> <td style="text-align: center; border-bottom: 1px solid black;">_X_</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="padding: 5px;">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; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> <tr> <td style="padding: 5px;">Y. Other(s)¹ _____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> <td style="text-align: center; border-bottom: 1px solid black;">_____</td> </tr> </tbody> </table> <p style="margin-top: 10px;">The after-the-fact activity method is used for faculty and professionals including graduate students participating in sponsored agreements. Under this method the employee salary/wages are distributed to the sponsored program based on an estimated salary/wage distribution. After the completion of each semester, the University Office of Sponsored Programs circulates a payroll effort distribution and obtains written confirmation from the employee or some other knowledgeable individual to certify that the allocation is a fair representation of the employee's activity during the reported period. This certification process occurs twice during the academic year and once during summer. Biweekly time sheets are used for salaried and hourly staff and student employees. Any significant deviations are adjusted in the accounting records.</p> <p>2.5.1 Salary and Wage Cost Distribution Systems. 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 style="margin-left: 20px;"> _____ Yes _X_ No </p> <p>Employees who are not working directly on any sponsored agreement are not required to complete after-the-fact personnel activity. In most cases, the salary or wages of an employee who is not working on sponsored agreements or similar cost objectives are assignable to an appropriate pool or cost objective, such as general administration, instruction, physical plant, library, or other institutional activities. The personal service expenses attributable to such an employee are included in the appropriate indirect cost pool or direct allocation base along with the other costs of the pool or base, identified through the integrated financial accounting system by program and general ledger account. The main exception occurs in academic departments where a direct charge equivalent is used to determine the portion of departmental support salaries that should be assigned directly to Instruction and other non-sponsored activities, and the portion that should be included in the departmental administration indirect cost pool. (See 2.1.0 and 3.1.0 for additional information on the use of DCE and the accumulation of departmental administration expenses.)</p>						Direct Personal Services Category					Faculty (1)	Staff (2)	Students (3)	Other ¹ (4)	A. Payroll Distribution Method (Individual time card/actual hours and rates)	_____	_____	_X_	_____	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)	_X_	_X_	_X_	_____	D. Multiple Confirmation Records (Employee Reports prepared each academic term, to account for employee's activities, direct and indirect charges are certified separately.)	_____	_____	_____	_____	Y. Other(s) ¹ _____	_____	_____	_____	_____
	Direct Personal Services Category																																							
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B. Plan - Confirmation (Budgeted, planned or assigned work activity, updated to reflect significant changes)	_____	_____	_____	_____																																				
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Y. Other(s) ¹ _____	_____	_____	_____	_____																																				
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FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet

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2.5.2	<p data-bbox="294 464 760 489">Salary and Wage Cost Accumulation System.</p> <p data-bbox="294 520 1372 657">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 the wage cost distributions are reconciled with the payroll data recorded in the institution's financial accounting records.)</p> <ul data-bbox="358 688 1402 1398" style="list-style-type: none"> <li data-bbox="358 688 1402 909">• Employee salaries and wages are accumulated in the University's human resources and payroll systems (currently the Lawson human resources and payroll software modules). Employee information is entered into the system from a datasheet that contains the appropriate authorizations and pay data for that type of employee. At least one initial funding code must be contained in the action sheet to start an initial appointment. After the information is entered, an authorized staff member (who has online access) in either University Academic or Hospital Human Resources, after approvals are obtained from the departments and University Office of Sponsored Programs, may change the accounting unit and account number or add additional accounting units or numbers. <li data-bbox="358 947 1402 1024">• For all employees, the University Payroll Office processes the payroll, which issues biweekly and monthly payments and appropriately charges the fund, organization, and account codes designated for the individual in the University's general ledger accounting system (also a Lawson software product). <li data-bbox="358 1062 1402 1283">• Effort certification reports are distributed to employees (who have part or all of their salary charged to sponsored programs) or other responsible officials with suitable means to verify that the work was performed. These reports are required to be returned and are accounted for centrally by University Office of Sponsored Programs. If the activity report indicates any changes from the amount charged to the sponsored agreements, a properly approved reallocation is used to transfer the payroll costs and correct the charges. Reallocation requests for sponsored agreements are forwarded to the University Office of Sponsored Programs for review and approvals. This process is consistent with the requirements in section J.10 of Circular A-21. <li data-bbox="358 1320 1402 1398">• Salaries and other costs contributed by the University to sponsored agreements as cost sharing are recorded in the general ledger system as cost share. Cost sharing for each fund is reported in accordance with individual sponsor guidelines and requirements. <p data-bbox="817 1682 874 1707" style="text-align: center;">II - 6</p>	

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		NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
2.6.0	<p>Description of Direct Fringe Benefits Costs. (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> <p>All fringe benefits that are attributable to direct salaries and wages and are charged directly to Federally sponsored agreements or similar cost objectives. Direct fringe benefit costs incurred by the University include:</p> <ul style="list-style-type: none"> • Employer Retirement Contributions • Social Security/Medicare (FICA) • Group Life and Travel Insurance • Medical/Hospitalization Insurance • Retiree Medical/Hospitalization Insurance • Dental Insurance • Sickness and Disability Program • Retirement Plans • Worker’s and Unemployment Compensation • Faculty ,Staff and Graduate Research Student Tuition Benefits • Leave costs other than termination leave (e. g., vacation, holiday, sick leave, etc.) are included in the normal charges for salaries. • Costs to administer benefit programs 	
2.6.1	<p>Method of Charging Direct Fringe Benefits. (Describe on a continuation sheet, how each type of fringe benefit cost identified in item 2.6.0. is measured, assigned and allocated (for definitions, See 9903.302-1); first, to the major functions (e.g., instruction, research); and, then to individual projects or direct cost objectives within each function.)</p> <p>The University accumulates all fringe benefits into separate rates for full time and part-time faculty and staff and graduate student researchers.. The fringe benefit rates are established annually with our cognizant agency and are contractually agreed to in the form of a fixed with carry-forward contract. Holiday, vacation, sick leave, etc., are charged to the funding source where the employee is normally charging his/her time when the paid absence is taken.</p>	
2.7.0	<p>Description of Other Direct Costs. 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, sub-grants, subcontracts, malpractice insurance, etc.)</p> <p>Principal categories of other direct costs include: travel, general services (e. g., consulting), professional services, publication costs, subcontracts, equipment, alteration and renovations needed to meet specific project requirements, long distance telephone expenses, special repair and maintenance requests inside buildings, rent and other facility cost of off-campus facilities, books and periodicals, postage and employee development services.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART II - DIRECT COSTS																										
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2.8.0	<p>Cost Transfers. When Federally sponsored agreements or similar cost objectives are credited for cost transfers to other projects, grants or contracts, is the credit amount for direct personal services, materials, other direct charges and applicable indirect costs always based on the same amount(s) or rate(s) (e.g., direct labor rate, indirect costs) originally used to charge or allocate costs to the project (Consider transactions where the original charge and the credit occur in different cost accounting periods). (Mark one, if “No”, explain on a continuation sheet how the credit differs from original charge.)</p> <p style="margin-left: 20px;"> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>																											
2.9.0	<p>Inter-organizational Transfers. This item is directed only to those materials, supplies, and services that 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 inter-organizational 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 style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 40%;"></th> <th style="text-align: center; border-bottom: 1px solid black;">Materials (1)</th> <th style="text-align: center; border-bottom: 1px solid black;">Supplies (2)</th> <th style="text-align: center; border-bottom: 1px solid black;">Services (3)</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.</td> <td style="text-align: center; padding: 5px;"><u> X </u></td> <td style="text-align: center; padding: 5px;"><u> X </u></td> <td style="text-align: center; padding: 5px;"><u> X </u></td> </tr> <tr> <td style="padding: 5px;">B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> </tr> <tr> <td style="padding: 5px;">C. At established catalog or market price or prices based on adequate competition.</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> </tr> <tr> <td style="padding: 5px;">Y. Other(s)¹</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> </tr> <tr> <td style="padding: 5px;">Z. Inter-organizational transfers are not applicable.</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> <td style="text-align: center; padding: 5px;">_____</td> </tr> </tbody> </table>					Materials (1)	Supplies (2)	Services (3)	A. At full cost <u>excluding</u> indirect costs attributable to group or central office expenses.	<u> X </u>	<u> X </u>	<u> X </u>	B. At full cost <u>including</u> indirect costs attributable to group or central office expenses.	_____	_____	_____	C. At established catalog or market price or prices based on adequate competition.	_____	_____	_____	Y. Other(s) ¹	_____	_____	_____	Z. Inter-organizational transfers are not applicable.	_____	_____	_____
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¹ Describe on a Continuation Sheet

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS
Item No.	Item Description	
	<p>Instructions for Part III</p> <p>Institution should disclose how the segment’s total direct costs are identified and accumulated in specific indirect cost categories and allocated to applicable indirect cost pools and service centers within each major function or activity, how service center costs are accumulated and “billed” to users, and the specific indirect cost pools and allocation bases used to calculate the indirect cost rates that are used to allocate accumulated indirect costs to Federally sponsored agreements or similar final cost objectives. A continuation sheet should be used wherever additional space is required or when a response requires further explanation to ensure clarity and understanding.</p> <p>The following Allocation Base Codes are provided for use in connection with Items 3.1.0 and 3.3.0.</p> <ul style="list-style-type: none"> A. Direct Charge or Allocation B. Total Expenditures C. Modified Total Cost Basis D. Modified Total Direct Cost Basis E. Salaries and Wages F. Salaries, Wages and Fringe Benefits G. Number of Employees (head count) H. Number of Employees (full-time equivalent basis) I. Number of Students (head count) J. Number of Students (full-time equivalent basis) K. Student Hours—classroom and work performed L. Square Footage M. Usage N. Unit of Product O. Total Production P. More than one base (Separate Cost Groupings)¹ Y. Others¹ Z. Category or Pool not applicable 	
	<p>III - 1</p>	

FORM CASB DS-2 (REV 10/94)

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

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART III - INDIRECT COSTS																																																						
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3.1.0	<p>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.")</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Indirect Cost Category</th> <th style="text-align: center; border-bottom: 1px solid black;">Accumulation Method</th> <th style="text-align: center; border-bottom: 1px solid black;">Allocation Base Code</th> <th style="text-align: center; border-bottom: 1px solid black;">Allocation Sequence</th> </tr> </thead> <tbody> <tr> <td>(a) Depreciation/Use Allowance/Interest</td> <td></td> <td></td> <td style="text-align: center;">1</td> </tr> <tr> <td> Building</td> <td style="text-align: center;">_No_</td> <td style="text-align: center;">_L_</td> <td></td> </tr> <tr> <td> Equipment</td> <td style="text-align: center;">_No_</td> <td style="text-align: center;">_L_</td> <td></td> </tr> <tr> <td> Capital Improvements to Land¹</td> <td style="text-align: center;">_No_</td> <td style="text-align: center;">_H&J_</td> <td></td> </tr> <tr> <td> Interest¹</td> <td style="text-align: center;">_No_</td> <td style="text-align: center;">_L_</td> <td></td> </tr> <tr> <td>(b) Operation and Maintenance</td> <td style="text-align: center;">_Yes_</td> <td style="text-align: center;">_L_</td> <td style="text-align: center;">2</td> </tr> <tr> <td>(c) General Administration and General Expense</td> <td style="text-align: center;">_Yes_</td> <td style="text-align: center;">_D_</td> <td style="text-align: center;">3</td> </tr> <tr> <td>(d) Departmental Administration</td> <td style="text-align: center;">_No_</td> <td style="text-align: center;">_D_</td> <td></td> </tr> <tr> <td>(e) Sponsored Projects Administration</td> <td style="text-align: center;">_Yes_</td> <td style="text-align: center;">_D_</td> <td></td> </tr> <tr> <td>(f) Library</td> <td style="text-align: center;">_Yes_</td> <td style="text-align: center;">_H&J_</td> <td></td> </tr> <tr> <td>(g) Student Administration and Services</td> <td style="text-align: center;">_Yes_</td> <td style="text-align: center;">_D_</td> <td></td> </tr> <tr> <td>(h) Other¹</td> <td style="text-align: center;">_NA_</td> <td style="text-align: center;">_</td> <td></td> </tr> </tbody> </table> <p>3.1.0(a) <u>Depreciation/Use Allowance/Interest Accumulation Method</u></p> <ul style="list-style-type: none"> • The total cost of buildings, equipment and capital improvements to land are recorded in the University's accounting system. Detailed support of recorded costs is maintained in a subsidiary system. The two systems are reconciled annually. Depreciation is not integrated within the formal accounting system but is recorded on the financial statements. • Interest expense on debt that is paid by the University is recorded in the University's accounting system. All interest is incurred on debt associated with buildings, equipment and capital improvements as defined in paragraph J.26 of Circular A-21. 			Indirect Cost Category	Accumulation Method	Allocation Base Code	Allocation Sequence	(a) Depreciation/Use Allowance/Interest			1	Building	_No_	_L_		Equipment	_No_	_L_		Capital Improvements to Land ¹	_No_	_H&J_		Interest ¹	_No_	_L_		(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_	_D_		(f) Library	_Yes_	_H&J_		(g) Student Administration and Services	_Yes_	_D_		(h) Other ¹	_NA_	_	
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	<p>3.1.0(b) <u>Depreciation/Use Allowance/Interest Allocation Base</u></p> <p>Capital Improvements to Land. This class of asset depreciation is allocated based on a combination of H and J. The total depreciation is first accumulated, then allocated based on the ratio that the FTE students have to the combined FTE of student and staff. The resulting depreciation is then assigned to Instruction. The depreciation related to the ratio that the FTE staff bears to the total combined FTE is then allocated to final cost objectives based on the salaries and wages.</p>	
	<p>3.1.0(c) <u>General Administration and General Expense (G&A)</u></p> <p><u>Accumulation Method.</u> General administrative and general expenses incurred directly by the University are recorded in the University's formal accounting system. As with O&M (3.4.0.b), a review is required to ensure compliance with Circular A-21. This effort includes the reclassification of certain expense from G&A to O&M, Auxiliary Enterprise (AE), and unallowable expenses and activities.</p>	
	<p>3.1.0(d) <u>Departmental Administration (DA)</u></p> <p><u>Accumulation Method.</u> Departmental administration expenses are only partially identified by the accounting system. This cost pool consists of the administrative costs of deans' offices; cost associated with the administrative work of department heads, faculty and other professional research and academic staff; and other departmental support services. The costs of deans' offices are identified by the accounting system. The cost associated with administrative activities of department heads, faculty and other professional academic staff are covered by the standard allowance of 3.6% of Modified Total Direct Costs as specified in paragraph F.6.a (2) of Circular A-21.</p> <p>The remaining departmental support costs include the salaries and fringe benefits of administrative and clerical staff (excluding direct charges for administrative and clerical services under the conditions discussed in 2.1.0 above), departmental business managers, office supplies, postage, travel associated with administrative activities, etc. This portion of departmental administration expenses is accumulated through an analysis of departmental organizations and the application of "Direct Charge Equivalents" (DCEs). As discussed in 2.1.0, DCEs are mathematical formulas, which estimate the portion of departmental general fund expenses that should be assigned directly to instruction and other non-sponsored direct cost objectives, and the portion that should be included in the departmental administration indirect cost pool.</p>	

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	<p>Job positions defined as pure administrative (e. g., departmental business officers) and charged to the general operating accounts of the department are categorized as 100 percent departmental administration. Salaries, wages, and fringe benefits for departmental support staff and non-labor costs charged to departmental general fund accounts are subject to the DCE methodology. The DCE methodology used by the University is consistent with the preferred methodology described in the HHS “Review Guide for Long Form University Indirect Cost Proposals”.</p> <p><u>3.1.0(e) thru (g)</u></p> <p><u>Accumulation Method.</u> These indirect cost categories are identified by the University’s accounting system. As noted in 1.2.0, adjustments and reclassifications are needed to recast the information in the University’s financial statements into the cost pools required by Circular A-21.</p> <p style="text-align: center;">III - 4</p>		

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS																																							
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3.2.0	<p>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.)</p> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 15%; text-align: center;">(1)</th> <th style="width: 15%; text-align: center;">(2)</th> <th style="width: 15%; text-align: center;">(3)</th> <th style="width: 15%; text-align: center;">(4)</th> <th style="width: 15%; text-align: center;">(5)</th> <th style="width: 15%; text-align: center;">(6)</th> </tr> </thead> <tbody> <tr> <td>(a) Scientific Computer Operations</td> <td style="text-align: center;"><u>Z</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> <td style="text-align: center;">—</td> </tr> <tr> <td>(b) Business Data Processing</td> <td style="text-align: center;"><u>Z</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> <td style="text-align: center;">—</td> </tr> <tr> <td>(c) Animal Care Facilities</td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>B</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>A</u></td> <td style="text-align: center;"><u>B</u></td> </tr> <tr> <td>(d) Other Service Centers with Annual Operating Budgets exceeding \$1,000,000 or that generate significant charges to Federally sponsored agreements either as a direct or indirect cost. (Specify below; use a Continuation Sheet, if necessary) <u>None</u></td> <td style="text-align: center;"><u>Z</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> <td style="text-align: center;">—</td> </tr> </tbody> </table>							(1)	(2)	(3)	(4)	(5)	(6)	(a) Scientific Computer Operations	<u>Z</u>	—	—	—	—	—	(b) Business Data Processing	<u>Z</u>	—	—	—	—	—	(c) Animal Care Facilities	<u>A</u>	<u>A</u>	<u>B</u>	<u>A</u>	<u>A</u>	<u>B</u>	(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) <u>None</u>	<u>Z</u>	—	—	—	—	—
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(1)	<p><u>Category Code:</u> Use code “A” if the service center costs are billed only as direct costs of final cost objectives; code “B” if billed only to indirect cost categories or indirect cost pools; code “C” if billed to both direct and indirect cost objectives.</p>																																								
(2)	<p><u>Burden Code:</u> Code “A” - center receives an allocation of all applicable indirect costs; Code “B” - partial allocation of indirect costs; Code “C” - no allocation of indirect costs.</p>																																								
(3)	<p><u>Billing Rate Code:</u> Code “A” - billing rates are based on historical costs; Code “B” - rates are based on projected costs; Code “C” - rates are based on a combination of historical and projected costs; Code “D” - billings are based on the actual costs of the billing period; Code “Y” - other (explain on a Continuation Sheet).</p>																																								
(4)	<p><u>User Charges Code:</u> Code “A” - all users are charged at the same billing rates; Code “B” - some users are charged at different rates than other users (explain on a Continuation Sheet).</p>																																								
(5)	<p><u>Actual Costs vs. Revenues Code:</u> Code “A” - billings (revenues) are compared to actual costs (expenditures) at least annually; Code “B” - billings are compared to actual costs less frequently than annually.</p>																																								
(6)	<p><u>Variance Code:</u> Code “A” - Annual variance between billed and actual cost are prorated to users (as credits or charges); Code “B” - variances are carried forward as adjustments to billing rate of future periods; Code “C” - annual variances are charged or credited to indirect costs; Code “Y” - other (explain on a Continuation Sheet).</p>																																								

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3.3.0	<p>Indirect Cost Pools and Allocation Bases</p> <p>(Identify all of the indirect costs 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 style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 80%;"><u>Indirect Cost Pools</u></th> <th style="text-align: center; width: 20%;"><u>Allocation Base Code</u></th> </tr> </thead> <tbody> <tr> <td>A. Instruction</td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 20px;"><input type="checkbox"/> Other¹</td> <td style="text-align: center;"><u> </u></td> </tr> <tr> <td>B. Organized Research</td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 20px;"><input type="checkbox"/> Other¹</td> <td style="text-align: center;"><u> </u></td> </tr> <tr> <td>C. Other Sponsored Activities</td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> On-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 20px;"><input checked="" type="checkbox"/> Off-Campus</td> <td style="text-align: center;"><u> D </u></td> </tr> <tr> <td style="padding-left: 20px;"><input type="checkbox"/> Other¹</td> <td style="text-align: center;"><u> </u></td> </tr> <tr> <td>D. Other Institutional Activities¹</td> <td style="text-align: center;"><u> </u></td> </tr> </tbody> </table>	<u>Indirect Cost Pools</u>	<u>Allocation Base Code</u>	A. Instruction		<input checked="" type="checkbox"/> On-Campus	<u> D </u>	<input checked="" type="checkbox"/> Off-Campus	<u> D </u>	<input type="checkbox"/> Other ¹	<u> </u>	B. Organized Research		<input checked="" type="checkbox"/> On-Campus	<u> D </u>	<input checked="" type="checkbox"/> Off-Campus	<u> D </u>	<input type="checkbox"/> Other ¹	<u> </u>	C. Other Sponsored Activities		<input checked="" type="checkbox"/> On-Campus	<u> D </u>	<input checked="" type="checkbox"/> Off-Campus	<u> D </u>	<input type="checkbox"/> Other ¹	<u> </u>	D. Other Institutional Activities ¹	<u> </u>
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<input type="checkbox"/> Other ¹	<u> </u>																												
C. Other Sponsored Activities																													
<input checked="" type="checkbox"/> On-Campus	<u> D </u>																												
<input checked="" type="checkbox"/> Off-Campus	<u> D </u>																												
<input type="checkbox"/> Other ¹	<u> </u>																												
D. Other Institutional Activities ¹	<u> </u>																												
3.4.0	<p>Composition of Indirect Cost Pools. (For each pool identified under Items 3.1.0 and 3.2.0, describe on a continuation sheet the major organizational components, sub-groupings of expenses, and elements of cost included.)</p> <p>3.4.0(a) <u>Depreciation/Use Allowance/Interest</u></p> <p><u>Depreciation/Use Allowance</u>—Depreciation of buildings, improvements, and equipment is computed in accordance with section J.12 of Circular A-21. See Part IV for additional information on depreciation costs.</p> <p><u>Interest</u>—The interest cost pool consists of interest on debt associated with buildings, capital improvements, and equipment as computed in accordance with section J.26 of Circular A-21.</p> <p style="text-align: center;">III - 6</p>																												

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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: Loyola University Chicago
Item No.	Item Description	
	<p>3.4.0(b) <u>Operation and Maintenance</u>—This pool is comprised of several pools as shown below:</p> <ul style="list-style-type: none"> • <u>O&M-Maywood Campus</u>—The Maywood Campus pool accumulates O&M costs billed from the Loyola University Medial Center in support of the Loyola University Stritch School of Medicine and other Loyola University Academic operations using space in Maywood. This cost pool accumulates Maywood Campus O&M costs not otherwise grouped and allocated. Included in this pool are utilities, public safety, house keeping, central receiving, administration, supervision, repairs and maintenance, preservation, and protection of the institution’s physical plant as defined in Circular A-21, section F.4. In addition there are indirect costs allocated to this pool from building depreciation, depreciation of land improvements, equipment depreciation, interest, and selected O&M cost pools. This pool is then allocated to the benefiting buildings in Maywood or subsequent allocation to the benefiting functions occupying space in those buildings. • <u>O&M-Lakeside Campus and Water Tower Campus</u> --These pools are used to accumulate O&M cost for each of the two campuses. These pools are then allocated to the benefiting buildings and then to the benefiting functions occupying those buildings. • <u>O&M-Rental Property</u> – Housekeeping, maintenance, and utilities for leased real property are accumulated in this pool for allocation to the departments occupying those buildings. There are no cross allocations from other cost pools to this cost pool. This pool is first allocated to the rented buildings and then to the benefiting functions occupying space in those buildings. • <u>Operation and Maintenance</u> – This cost pool accumulates all campus-wide O&M costs not otherwise grouped and allocated. Included in this pool are central receiving, administration, supervision, repairs and maintenance, preservation, and protection of the institution’s physical plant as defined in Circular A-21, section F.4. In addition there are indirect cost allocated to this pool from building use allowance, depreciation of land improvements, equipment depreciation, interest, and selected O&M cost pools. This pool is then allocated to the benefiting buildings for subsequent allocation to the benefiting functions occupying space in those buildings. • <u>Department Paid O&M</u>– This cost pool accumulates O&M costs identified by sub account in academic departments. Included are facilities repair and maintenance costs that are identified through an analysis of department costs. This pool is allocated to the benefiting departments and then to the benefiting functions within that department based on ASF. • <u>Auxiliary Enterprise</u> operations also incur some O&M expenses for their own benefit. These expenditures are treated as direct costs to the auxiliary operations and are not allocated to other bases. 	

<p align="center">COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p>	<p align="center">PART III - INDIRECT COSTS</p>
	<p>NAME OF REPORTING UNIT: Loyola University Chicago</p>
Item No.	Item Description
	<p>3.4.0(c) <u>General Administration and General Expense (G&A)</u></p> <p>This pool includes all cost for the general executive administrative offices of the University and other expenses of a general character that do not relate solely to any major function of the University as described in 3.1.0(c). An analysis is performed to remove and unallowable costs and activities from this cost pool. Typical expenses included here are general accounting, human resource and payroll, administration, budgeting, legal counsel. In addition to these direct charges this pool receives an appropriate allocation of depreciation, interest, and O&M listed above.</p> <p><u>Shared ITU Cost</u> This cost pool includes the costs associated with providing a central computer support function that benefits both Instruction and Administration functions of the University with all applicable allocations from other indirect costs pools. These costs are allocated to the Instruction and Departmental Research pool and Administration pool based on an estimate of those functions usage of this pool's services.</p> <p>3.4.0(d) <u>Departmental Administration</u></p> <p>This pool includes costs incurred for administrative and supporting services that benefit common or joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units. This pool includes appropriate allocations from the indirect cost pools discussed in 3.1.0(a) thru (c). See 3.1.0(d) for additional information on the composition and accumulation of departmental administration expenses.</p> <p>3.4.0(e) <u>Sponsored Projects Administration</u></p> <p>Sponsored Projects Administration includes costs incurred specifically for sponsored projects and programs administered by the University's Office of Sponsored Programs in support of grant and contract administration for federal and non-federal awards. This pool includes appropriate allocations from the indirect cost pools discussed in 3.1.0(a) thru (c).</p> <p>3.4.0(f) <u>Library</u></p> <p>This pool includes all costs associated with operating and maintaining the University's libraries consistent with Circular A-21, section F.8. These costs include current expenditures for books (excluding rare books) and library materials purchased for the library. This pool includes appropriate allocations from the indirect cost pools discussed in 3.1.0(a) thru (c).</p> <p>3.4.0(g) <u>Student Administration and Services</u></p> <p>This group of expenses, as defined in Circular A-21, section F.9, includes expenses incurred for the administration of student affairs and for services to students, (e.g., dean of students, admissions, registrar, counseling and placement services, student advisors, student health and infirmary services, catalogs, and commencement and convocations), with all applicable allocations from other indirect costs pools.</p> <p align="center">III - 8</p>

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS
		NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
3.5.0	<p>Composition of Allocation Bases. (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> <ul style="list-style-type: none"> • Building depreciation is allocated on a building-by-building basis among the functions performed in each building (e. g., instruction, organized research, and other institutional activities, etc.) based on the amount of net assignable square feet (ASF) occupied by each function. Functional usage is determined on a room-by-room basis through a periodic space inventory and functional use survey, which assigns a specific percentage of use to each function performed in each room. • Equipment depreciation is allocated based on the functional use of the room in which the equipment is located. Functional use is determined by the space inventory and functional use survey described in the previous paragraph. • The allocation of capital improvements to land is described on the continuation sheet above under 3.1.0(a) under "Allocation Base Code." • Interest costs are allocated on the same basis as building depreciation and equipment depreciation. • All Operation and Maintenance costs are allocated based on functional use of space, but some cost pools are allocated to specific benefiting buildings as a first step. Such first step allocation include the Maywood, Lakeside, and Water Tower Campus O&M. <p><u>General Administrative and General Expenses (G&A) – D</u></p> <p>G&A is allocated based on Modified Total Direct Costs (MTDC) which consist of all salaries and wages, services, travel, and subcontracts/sub-grants up to the first \$25,000 of such expenses. The following cost elements are excluded from MTDC: equipment that meets the University's capitalization threshold, other capital expenditures, tuition remission, rent, rental costs of off-site research facilities (when included as a direct cost item), and all expenditures on subcontracts/sub-grants in excess of the first \$25,000.</p>	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART III - INDIRECT COSTS
		NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
	<p><u>Departmental Administration - D</u></p> <p>Departmental Administration expenses are allocated based on MTDC, computed in the same manner as discussed above for G&A. As stipulated in section F.6 of Circular A-21, the administrative expenses of the dean’s office of each college and school are allocated to the academic departments and other organizational units within the college or school. The administrative expenses of each department, plus the department’s share of the dean’s office costs, are allocated to the direct functions within the department.</p> <p><u>Sponsored Project Administration – D</u></p> <p>Sponsored Project Administration is allocated based on the MTDC, computed in the same manner as discussed above for G&A.</p> <p><u>Library – H&J</u></p> <p>As noted in 3.1.0 Library costs are allocated based on the standard method in section F.8 of Circular A-21.</p> <p><u>Student Administration and Services – D</u></p> <p>The Student Administration and Services indirect cost pool is allocated entirely to the Instructional and Departmental Research function in accordance with the standard base in section F.9.b of Circular A-21.</p> <p><u>Final Distribution Base</u></p> <p>The final distribution base (i. e., the base used to allocate the accumulated indirect costs of each major function to sponsored agreements within that function) is also the MTDC of those projects and consists of the same cost elements as the base for allocating the administrative costs pools noted above.</p> <p>Allocation of Indirect Costs to Programs That Pay Less Than Full Indirect Costs. Are appropriate direct costs of all programs and activities included in the indirect cost allocation bases, regardless of whether allocable indirect costs are fully reimbursed by the sponsoring organizations?</p> <p>A. <u> X </u> Yes B. _____ No¹</p> <p style="text-align: center;">III – 10</p>	

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¹ Describe on a Continuation Sheet.

Item No.	Item Description																																																		
4.1.0	<p>COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS</p> <p style="text-align: right;">PART IV - DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT: Loyola University Chicago</p> <p>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)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 45%; text-align: left;">Asset Category</th> <th style="width: 10%; text-align: center;">Depreciation Method (1)</th> <th style="width: 10%; text-align: center;">Useful Life (2)</th> <th style="width: 10%; text-align: center;">Property Unit (3)</th> <th style="width: 10%; text-align: center;">Residual Value (4)</th> </tr> </thead> <tbody> <tr> <td>(a) Land Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(b) Buildings</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(c) Building Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(d) Leasehold Improvements</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(e) Equipment</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(f) Furniture and Fixtures</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(g) Automobiles and Trucks</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(g) Tools</td> <td style="text-align: center;">A</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> <tr> <td>(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)</td> <td style="text-align: center;">Y</td> <td style="text-align: center;">C</td> <td style="text-align: center;">A</td> <td style="text-align: center;">B</td> </tr> </tbody> </table> <p><u>Column (1) - Depreciation Method Code</u></p> <p>A. Straight Line B. Expensed at Acquisition C. Use Allowance Y. Other or more than one method¹</p> <p><u>Column (2) - Useful Life Code</u></p> <p>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 method¹</p> <p><u>Column (3) - Property Unit Code</u></p> <p>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 lives Y. Other or more than one method¹</p> <p><u>Column (4) - Residual Value Code</u></p> <p>A. Residual value is deducted B. Residual value is not deducted Y. Other or more than one method¹</p>	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	(g) Tools	A	C	A	B	(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)	Y	C	A	B
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																																															
(g) Tools	A	C	A	B																																															
(i) Enter Code Y on this line if other asset categories are used and enumerate on a continuation sheet each such asset category and the applicable codes. Otherwise enter Code Z.)	Y	C	A	B																																															
IV - 1																																																			

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART IV - DEPRECIATION AND USE ALLOWANCES NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
4.1.0	(i) Other	
4.1.1	<p>GMU capitalizes costs associated with the purchase of computer software used for in-house operations in accordance with AICPA SOP 98-1.</p> <p>Asset Valuations and Useful Lives. Are the asset valuations and useful lives used in your indirect cost proposal consistent with those used in the institution's financial statements? (Mark one.)</p> <p>A. <input checked="" type="checkbox"/> Yes B. <input type="checkbox"/> No¹</p>	
4.2.0	<p>Fully Depreciated Assets. Is a usage charge for fully depreciated assets charged to Federally sponsored agreements or similar cost objectives? (Mark one. If yes, describe the basis for the charge on a continuation sheet.)</p> <p>A. <input type="checkbox"/> Yes B. <input checked="" type="checkbox"/> No</p>	
IV - 2		

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¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART V - OTHER COSTS AND CREDITS NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
	Part V	
5.1.0	<p>Method of Charging Leave Costs. Do you charge vacation, sick, holiday and sabbatical leave costs to sponsored agreements on the cash basis of accounting (i.e., when the leave is taken or paid), or on the accrual basis of accounting (when the leave is earned)? (Mark applicable line(s))</p> <p>A. <input checked="" type="checkbox"/> Cash B. <input type="checkbox"/> Accrual¹</p>	
5.2.0	<p>Applicable Credits. This item is directed at the treatment of “applicable credits” as defined in Section C of Circular A-21 and other incidental receipts (e.g., purchase discounts, insurance refunds, library fees and fines, parking fees, etc.). (Indicate how the principal types of credits and incidental receipts the institution receives are usually handled.)</p> <p>A. <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 type="checkbox"/> Combination of methods¹ Y. <input checked="" type="checkbox"/> Other¹</p> <p>Purchase discounts are taken at the time of payment and applied to the purchasing account when the original amount is charged. Other applicable credits are credited back to the specific expenditure to which the credit relates.</p> <p>Library fees and fines are treated as revenues for financial accounting purposes; however, they are offset against the University’s Library cost pool when developing the F&A proposal.</p>	
	V - 1	

FORM CASB DS-2 (REV 10/94)

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS									
		NAME OF REPORTING UNIT: Loyola University Chicago									
Item No.	Item Description										
	Instructions for Part VI										
	<p>This part covers the measurement and assignment of costs for employee pensions, post retirement benefits other than pensions (including post retirement health benefits) and insurance. Some organizations may incur all of these costs at the main campus level or for public institutions at the governmental unit level, while others may incur them at subordinate organization levels. Still others may incur a portion of these costs at the main campus level and the balance at subordinate organization levels.</p> <p>Where the segment (reporting unit) does not directly incur such costs, the segment should, on a continuation sheet, identify the organizational entity that incurs and records such costs. When the costs allocated to Federally sponsored agreements are material, the reporting unit should require that entity to complete the applicable portions of this Part IV. (See item 4, page (i), General Instructions)</p>										
6.1.0	Pension Plans.										
6.1.1	<p>Defined-Contribution Pension Plans. Identify the types and number of pension plans whose costs are charged to Federally sponsored agreements. (Mark applicable line(s) and enter number of plans.)</p> <table border="0" style="width: 100%;"> <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. ___ Institution employees participate in State/Local Government Retirement Plan(s)</td> <td style="text-align: right;">_____</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;">__1__</td> </tr> <tr> <td>C. ___ Institution has its own Defined-Contribution Plan(s)¹</td> <td style="text-align: right;">_____</td> </tr> </tbody> </table>			<u>Type of Plan</u>	<u>Number of Plans</u>	A. ___ Institution employees participate in State/Local Government Retirement Plan(s)	_____	B. __X__ Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	__1__	C. ___ Institution has its own Defined-Contribution Plan(s) ¹	_____
<u>Type of Plan</u>	<u>Number of Plans</u>										
A. ___ Institution employees participate in State/Local Government Retirement Plan(s)	_____										
B. __X__ Institution uses TIAA/CREF plan or other defined contribution plan that is managed by an organization not affiliated with the institution	__1__										
C. ___ Institution has its own Defined-Contribution Plan(s) ¹	_____										
6.1.2	<p>Defined-Benefit Pension Plan. (For each defined-benefit plan (other than plans that are part of a State or Local government pension plan) describe on a continuation sheet the actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)</p> <p>The staff defined benefit pension plan was frozen effective March 31, 2004. All faculty and staff are included in the same defined contribution plan (see VI – 5).</p>										
	VI - 2										

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¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description
6.2.0	<p>Postretirement Benefits Other Than Pensions (including postretirement health care benefits) (PRBs). (Identify on a continuation sheet all PRB plans whose costs are charged to Federally sponsored agreements. For each plan listed, state the plan name and indicate the approximate number and type of employees covered by each plan.)</p>
6.2.1	<p>Loyola University Chicago maintains a post retirement benefit plan for all eligible employees and retirees (See VI - 6). Determination of Annual PRB Costs. (On a continuation sheet, indicate whether PRB costs charged to Federally sponsored agreements are determined on the cash or accrual basis of accounting. If costs are accrued, describe the accounting practices uses, including actuarial cost method, the asset valuation method, the criteria for changing actuarial assumptions and computations, the amortization periods for prior service costs, the amortization periods for actuarial gains and losses, and the funding policy.)</p>
6.3.0	<p>Self-Insurance Programs (Employee Group Insurance). Costs of the self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)</p> <p>A. <input type="checkbox"/> When accrued (book accrual only) B. <input type="checkbox"/> When contributions are made to a nonforfeitable fund C. <input type="checkbox"/> When contributions are made to a forfeitable fund D. <input type="checkbox"/> When the benefits are paid to employee E. <input checked="" type="checkbox"/> When amounts are paid to an employee welfare plan Y. <input type="checkbox"/> Other or more than one method¹ Z. <input type="checkbox"/> Not Applicable</p>
6.4.0	<p>The University is self insured for the Blue Shield Blue Cross medical plans and for the dental program.</p> <p>Self-Insurance Programs (Worker's Compensation, Liability and Casualty Insurance.)</p> <p>Worker's Compensation and Liability. Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)</p>
6.4.1	<p>A. <input type="checkbox"/> When claims are paid or losses are incurred (no provision for reserves) B. <input checked="" type="checkbox"/> When provisions for reserves are recorded based on the present value of the liability C. <input type="checkbox"/> When provisions for reserves are recorded based on the full or undiscounted value, as contrasted with present value, of the liability D. <input type="checkbox"/> When funds are set aside or contributions are made to a fund Y. <input type="checkbox"/> Other or more than one method¹ Z. <input type="checkbox"/> Not Applicable</p>
6.4.2	<p>Casualty Insurance. Costs of such self-insurance programs are charged to Federally sponsored agreements or similar cost objectives: (Mark one.)</p> <p>A. <input type="checkbox"/> When losses are incurred (no provision for reserves) B. <input type="checkbox"/> When provisions for reserves are recorded based on replacement costs C. <input type="checkbox"/> When provisions for reserves are recorded based on reproduction costs new less observed depreciation (market value) excluding the value of land and other indestructibles.</p>

¹ Describe on a Continuation Sheet.

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI - DEFERRED COMPENSATION AND INSURANCE COSTS
		NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
	D. <input type="checkbox"/> Losses are charged to fund balance with no charge to contracts and grants (no provision for reserves)	
	Y. <input type="checkbox"/> Other or more than one method ¹	
	Z. <input checked="" type="checkbox"/> Not Applicable	
VI - 4		

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI – DEFERRED COMPENSATION AND INSURANCE COSTS CONTINUATION SHEET
		NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
6.1.2	<p style="text-align: center;">Part VI</p> <p>Defined-Benefit Pension Plan. Loyola University Chicago froze its defined benefit pension plan for substantially all staff effective March 31, 2004 but grandfathered a small group of “ameliorated participants” who will continue to earn additional adjusted benefit credited service accruals for a period of up to five years. Effective April 1, 2004, the University established a new defined contribution plan consistent with the existing faculty defined contribution plan.</p> <p>Annual defined pension benefit costs are based on actuarial valuations of the frozen pension benefits and “ameliorated participants”. The net periodic pension cost recognized by Loyola University Chicago is determined in accordance with the Financial Accounting Standards Board Statements No. 87, “Employers’ Accounting for Pensions” and No. 88, “Employers’ Accounting for Settlements of Defined Benefit Pension Plans and for Termination Benefits”.</p> <p>Staff Defined Benefit Pension Plan: Actuarial cost method: Projected unit credit cost method. Key Actuarial Assumptions:</p> <ul style="list-style-type: none"> • Discount rate – estimated long-term market rate. • Assets Rate of Return – estimated long-term rate of return. • Asset Valuation Method – fair market value of assets. • Mortality: RP-2000 Combined Healthy Participant Table for pre-retirement and annuitant mortality; 94 GAR mortality (unisex) for lump sum distributions. • Lump Sum Distributions: 100% of employees are assumed to take lump sum distributions. • Other Actuarial Assumptions; All other assumptions are the same as used for ERISA funding valuation. 	
	VI - 5	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VI – DEFERRED COMPENSATION AND INSURANCE COSTS CONTINUATION SHEET
		NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
	Part VI	
6.2.0	<p>Postretirement Benefits Other Than Pensions (including postretirement health care benefits (PRB's)).</p> <p>Loyola University Chicago provides access to postretirement health insurance benefits for all full-time employees and retirees. For those eligible employees who retired on or before June 30, 2006, the University maintains a subsidy-based retiree health option for those employees having ten years of continuous full-time service after age 50. The University pays approximately two-thirds of the premium for health care insurance.</p> <p>For those eligible employees retiring after June 30, 2006, the University provides an account based plan. For each year of service after age 50, the University annually credits \$2,750 (not indexed) to an employee's account up to a maximum of 15 years. Employees will have access to this account plus any future credits and interest if the employee retires after age 60 with at least 10 years of continuous full time service. Initially the account will be credited annually with interest at 3%; the interest rate may be adjusted in the future. At retirement, an employee can access the account balance in one of two ways.</p> <ul style="list-style-type: none"> • The entire account balance can be immediately reimbursed for any qualified medical expenses. When the account is depleted, the retired employee is responsible for paying any additional medical expenses and the University has no further responsibility. • An employee may access the funds in the account balance as an annuity which will subsidize or offset a portion of the total premiums for Loyola University Chicago's retiree health care insurance. 	
6.2.1	<p>Determination of Annual PRB Costs</p> <p>Annual PRB costs are based on actuarial valuations of the postretirement benefits. The net periodic post retirement cost recognized by Loyola University Chicago is determined in accordance with the Financial Accounting Standards Board Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions". In February 1998, the Financial Accounting Standards Board revised the disclosure requirements for postretirement benefit plans with Statement No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits". The revised rules did not affect the measurement or recognition of benefit costs.</p> <p>PRB Plan(s): Actuarial cost method: Projected unit credit with attribution from age 50 to full eligibility. Key Actuarial Assumptions:</p> <ul style="list-style-type: none"> • Discount rate – estimated long-term market rate. • Health Care Cost Trend Rate - estimated future trend based historical experience graded to stable rate. • Interest Credit for Account-Based Subsidy Plan - 3.0% per annum, compounded annually. • Utilization Percentage – 80% of future retirees are assumed to elect coverage; for retirees eligible for the account-based subsidy, this percentage is 100%. 	
	VI - 6	

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS		PART VII - CENTRAL SYSTEM OR GROUP EXPENSES
		NAME OF REPORTING UNIT: Loyola University Chicago
Item No.	Item Description	
	<p style="text-align: center;">DISCLOSURE BY CENTRAL SYSTEM OFFICE, OR GROUP (INTERMEDIATE ADMINISTRATION) OFFICE, AS APPLICABLE.</p> <p style="text-align: center;">Instructions for Part VII</p> <p>This part should be completed <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>	
7.1.0	<p>Organizational Structure. Not applicable.</p> <p>On a continuation sheet, list all segments of the university or university system, including hospitals, Federally Funded Research and Development Centers (FFRDC's), Government-owned Contractor-operated (GOCO) facilities, and lower-tier group offices serviced by the reporting unit.</p>	
7.2.0	<p>Cost Accumulation and Allocation. Not applicable.</p> <p>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 <u>to</u> 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 pro rata or allocation basis and the basis of such charges. If none, so state.</p>	