GENERAL STATEMENT

1.01 It is the intent of Oklahoma State University to follow generally accepted Cost Accounting Standards as presented by the Cost Accounting Standards Board. The purpose of this policy letter is to describe the policy and procedures used by Oklahoma State University departments to ensure compliance with those standards.

DEFINITIONS

2.01 Applicable Credits, as defined by 2 CFR 220, Appendix A, Section C (formerly OMB Circular A-21), refers to those receipts or negative expenditures that operate to offset or reduce direct or indirect cost items. Typical examples of such transactions are purchase discounts, rebates, or allowances, recoveries or indemnities on losses, and adjustments of overpayments or erroneous charges. This term also includes “educational discounts” on products or services provided specifically to educational institutions, such as discounts on computer equipment, except where the arrangement is clearly and explicitly identified as a gift by the vendor.

2.02 Incidental receipts are similar in definition to applicable credits, the difference being that specific offset expenditures are not as easily identified. Applicable Credits relate to a specific expenditure, whereas incidental receipts relate to a broader expenditure base such as general operations. Typical examples of incidental receipts are library fees and fines, parking fees, rents of real or personal property, and sales of services.

POLICY

3.01 It is the policy of Oklahoma State University to offset “Applicable Credits” against the specific direct or indirect costs to which they relate as opposed to being treated as income.

PROCEDURES

4.01 It is the specific responsibility of each department within every college of Oklahoma State University to identify all applicable credits and incidental receipts and ensure that they are properly recorded in the University financial system.

4.02 For the base year of the indirect cost proposal, Grants and Contracts statistically samples all receipts recorded as “sales & services” or “revenues from other sources” for proper recording methods.