

Cost Policy Statement
Southeast Missouri State University

1. General Accounting Policies

- Basis of Accounting — Accrual
- Fiscal Period — July1-June 30
- Allocation Basis — Direct Allocation Basis
- Indirect Cost Rate Allocation Base — Simplified allocation-US Dept. of Health and Human Services approved predetermined indirect rate base is salary, wages and fringe benefits.
- Southeast Missouri State University maintains adequate internal controls to insure that no cost is charged both directly and indirectly to Federal contracts or grants.
- Asset capitalization policy-Assets with estimated useful lives in excess of one year and a unit cost of \$5000 or greater are capitalized and depreciated over their estimated useful lives.
- Drawdown of federal funds-The University draws funds on a cost reimbursement basis only and does not allow advances on federal funds.
- Pre-award costs are not allowable unless approved by the awarding agency.

2. Description of Cost Allocation Methodology

- Salaries and Wages
 1. Direct Costs —Employee time is directly charged to the grant based on the time they spend working on the sponsored program. The charges are supported by auditable time and effort reports that support the actual time worked on the program and are verified by the project director of the sponsored program
 2. Indirect Costs —all other department payroll not directly associated with the Sponsored program is covered under the indirect cost allocation percentage.
 3. Mixed Charges —The University does not have mixed personnel costs on sponsored programs.
 4. Release time (vacation, sick leave, holiday pay, etc.) Release time follow the same allocation as the employee's payroll. Release time is charged when taken during the sponsored program period.
- Fringe Benefits
The University provides the following fringe benefits: employer Fica, retirement, cafeteria plan, life and health insurance, parking and employee assistance program. All fringe benefits are tracked by the agency's accounting system and are allocated the same way as the related payroll.
- Major Expenditures and method of treatment:
- Travel-Only directly related travel costs are charged to the sponsored program

- Occupancy Expenses-Non-campus costs directly related to the program are charged directly to the program. Any campus costs are recovered through the allowed indirect costs allocation percentage.
- Supplies and Materials-only costs directly related to the program are charged to the program.
- Communications-Only costs directly related to the program are charged to the program.
- Photocopying and Printing-Only costs directly related to the program are charged to the program.
- Outside Services-Only costs directly related to the program are charged to the program.
- Depreciation and Use Allowances-Only as allowed through the indirect cost recovery allocation percentage.
- Repairs and Maintenance-only equipment repair costs as directly related to the program.
- Charges allocated down from the State such as SWCAP costs-only as allowed through the indirect cost allocation percentage.
- Capital Items-Only items allowed and directly related to the program are charged to the program.
- Legal Fees-only as allowed through the indirect cost allocation percentage
- Audit Fees-only as allowed through the indirect cost allocation percentage.
- Insurance-only as allowed through the indirect cost allocation percentage.