

OKLAHOMA STATE UNIVERSITY INSTITUTE OF TECHNOLOGY
POLICY & PROCEDURES LETTER

**Costing Practices for Sponsored Agreements and
Service Projects, Grants and/or Contracts**

**3-037
FISCAL SERVICES
July 2009**

INTRODUCTION

- 1.01 Due to Oklahoma State University System's involvement with federal contracts, Oklahoma State University costing practices for sponsored agreements and contracts must comply with Cost Accounting Standards (CAS). In July 1993, the Office of Management and Budget (OMB) issued a number of revisions to OMB Circular A-21, *Cost Principles for Educational Institutions*, to be effective for fiscal years beginning on or after January 1, 1994.
- 1.02 OMB Circular A-21 establishes principles for determining costs applicable to sponsored agreements, contracts, and other agreements with educational institutions. The 1993 revisions affect not only the establishment of indirect cost rates, but also the way in which direct costs are charged to sponsored programs. Unless otherwise specified by the sponsoring agency, the revisions to **OMB Circular A-21 must be implemented for all sponsored programs at Oklahoma State University (OSU), regardless of whether they are funded by private, state, or federal agencies.** [References: OMB Circular A-21, §D.1., and §F.6.b]

PROCEDURES

- 2.01 As a subsidiary/branch campus of the Oklahoma State University System, primary functions related to such efforts are managed and performed on behalf of Oklahoma State University Institute of Technology, by the parent-campus, Oklahoma State University-Stillwater. For details related to this activity, refer to Oklahoma State University-Stillwater Policy and Procedures **4-0135, *Costing Practices for Sponsored Research and Service Projects.***

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