Estimated Additional Expenditures Due to the New Federal Cost Accounting Standards (CAS) During the 2000-2001 Fiscal Year

Below, I try to estimate the additional cost of accommodating the new CAS rules. These costs will need to be budgeted for in the coming fiscal year. The total estimated cost is $5,615.00.

- **Paper for Faculty Printers ($345.00)**

  Assuming that the department will have to pick up the cost of printing paper that has previously been purchased with grant money, I took a look at the stock room paper purchases for 1999. The stock room ordered a total of 150 reams during this year, and I think we can safely assume that most of this paper was purchased with grant funds, since paper for the departmental xerox machine, administrative offices and computer labs is purchased directly (not through the stockroom). The current price per ream is $2.30, so this gives 150 reams * $2.30/ream = $345.00.

- **Toner Cartridges for Faculty Printers ($690.00)**

  Assuming that the department will pick up the cost of toner cartridges that were previously purchased with grants, I can estimate an additional cost based on the amount of paper sold in the stockroom (given above) and the ratio of cost per page for toner versus cost per page for paper. Using data from room 315, toner cost per pages is approximately twice paper cost. Obviously, this ratio will vary widely from one type of printer to another, but it’s a starting point. Thus, we have $345.00 (paper cost, from stockroom) * 2 = $690.00.

- **Hardware ($2,860.00)**

  To make allowance for the purchase of hardware that can’t be charged to grants, we might reserve the cost of two complete computers. The price of the Dell “standard” DCI computer is $1430.00, so I’d recommend allowing $2,860.00.

- **Software ($1,720.00)**

  To allow the department to purchase the sort of software that has previously been purchased with grant money, we might allow a fixed amount per teaching faculty member. The cost of a single Microsoft Office license bought through the Microsoft Select plan is $43.00. We have approximately 40 teaching faculty, so we could reserve a sum of (40 faculty) * $43.00 = $1720.00.

Bryan Wright, July 20, 2000