

State of Colorado



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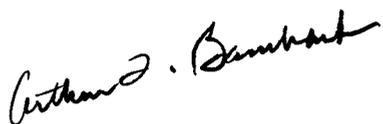
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ALERT #149

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Arthur L. Barnhart
State Controller 

DATE: October 23, 2003

SUBJECT: DUNS Numbers
Indirect Cost Rate Proposals and Plans
Changes in Recording Furniture Purchases

DUNS Numbers

The Data Universal Numbering System (DUNS) is a unique nine-digit identification number provided by Dun and Bradstreet. The Federal government is requiring this number on all Federal grant applications submitted on or after October 1, 2003. Since this number is site-specific, each agency needing one should apply. Should you need to apply for a DUNS number, call 1-866-705-5711 or on-line at <http://www.dnb.com>. Questions may be submitted to this same number or e-mail address. If you have questions about the Federal requirement, you may contact Sandra Swab, Office of Federal Financial Management, 202-395-3993 or via e-mail at sswab@omb.eop.gov.

Indirect Cost Rate Proposals and Plans

Beginning with the indirect cost rate proposals based upon fiscal year 2003 costs prepared to establish indirect cost rates for fiscal year 2005 and pending anticipated revisions to fiscal rule 8-3, the State Controller's Office will no longer require state agencies to submit their indirect cost

rate proposals and plans to the State Controller's Office for review. The reasons this requirement is being eliminated are as follow:

- The State Controller's Office believes that state agencies that are eligible to recover indirect costs from the federal government are currently performing the preparation and negotiation of the indirect cost rates in a competent and sufficient manner;
- Because of recent staffing reductions, the State Controller's Office is identifying and eliminating activities and functions that it believes can be eliminated without reducing the integrity of its ability to perform its statutory and regulatory mandates and its current service levels in functions that are beneficial to state agencies.

The State Controller's Office will:

- Continue to monitor the fact that state agencies that have over \$250,000 of federal grants and contracts that allow indirect costs to be recovered from the federal government will continue to prepare indirect cost rate proposals and negotiate indirect cost rate with the federal government;
- Continue to provide assistance to state agencies in preparing indirect cost rate proposals and plans upon the request of the agency's controller;
- Continue to provide training to new agency employees that have been assigned the responsibility of preparing the agency's indirect cost rate proposal or plan;
- Continue to assist state agencies in negotiating and dealing with disallowances or claims made by the federal government;
- Continue to perform research and provide state agencies with statistics and information related to cost accounting and the identification, accounting for and recovery of cost object oriented costs.

The State Controller's Office will, beginning with the indirect cost rate proposals based upon fiscal year 2003 costs prepared to establish indirect cost rates for fiscal year 2005, require state agencies that prepare and indirect cost rate proposal or plans and negotiate a rate or agreement with the federal government based upon the proposal or plan to submit a copy of their signed agreement with the federal government to the State Controller's Office within three weeks after the agreement is received by the agency from the federal government.

The portion of Fiscal Rule 8-3 that relates to this change currently reads as follows:

“A state agency federal indirect cost rate proposal shall be submitted to the State Controller within two weeks of the submission to the federal government unless the State Controller has specifically requested in writing that the state agency submit it to the State Controller before it has been submitted to the federal government. Amendments to a state agency federal indirect cost plan shall be submitted to the State Controller with the federal government’s letter of acceptance after the amendments have been accepted by the federal government.”

A submission to revise Fiscal Rule 8-3 will be included in the next fiscal rules revision process to eliminate the paragraph of Fiscal Rule 8-3 described above and add a paragraph: which will read as follows:

“A state agency that has prepared and submitted an indirect cost rate proposal or plan or a plan revision to the federal government and negotiated an indirect cost rate or allocation agreement with the federal government shall submit a copy of the agreement with the federal government to the State Controller within three weeks after a signed copy is received from the federal government.”

If you have any questions or comments, please contact Dennis Palamet at (303) 866-3240 or e-mail at dennis.palamet@state.co.us.

Changes in Recording Furniture and Office System Purchases on COFRS

The State Controller’s Office has changed the object codes that are used to record the purchase of furniture and fixtures. These changes are being made to respond to an audit recommendation that will enable Correctional Industries to better identify the size of the potential market in state government for their office furniture and fixtures products.

The state has created the following object codes that agencies must use to record the purchase of furniture and fixtures effective with the beginning of accounting period seven on January 1, 2004.

Capitalized Furniture and Fixtures:

- Object Code 6222 (Office Furn/Off System – Dir Pur)
- Object Code 6224 (Other Furn & Fixtures – Dir Pur)

Non-Capitalized Furniture and Fixtures:

- Object Code 3132 (Noncap Office Furn/Office Syst)
- Object Code 3139 (Noncapitlized Fixed Asset Other).

Use of the object code 6222 and 3132 should be based on the following criteria:

- Object code 6222 (Office Furn/Off System – Dir Pur) – Purchased office systems or furniture that costs \$5,000 or more for each individual item or component and is intended primarily for use in an office environment, e.g. offices, meeting rooms and conference rooms;
- Object Code 3132 (Noncap Office Furn/Office Syst) - Purchased office systems or furniture that costs less than \$5,000 for each individual item or component and is intended primarily for use in an office environment, e.g. offices, meeting rooms and conference rooms.
- Object codes 6224 and 3139 should be used to record all furniture and fixtures purchases that are not appropriately recorded using object codes 6222 and 3132 and for which a more appropriate object code cannot be found in the chart of accounts.
- Object code 6220 (Furniture & Fixtures-Dir Pur) should not be used after January 1, 2004.

The State Controller's Office will be working with the higher education institutions that have separate accounting systems to determine when they will be able to create comparable object codes in their accounting systems and feed the information into COFRS. Higher education institutions with separate accounting systems will not be required to begin to use the new object codes or equivalent object codes beginning in period seven of fiscal year 2004.

If you have any questions, please call your FAST member.