

# Use of Object Codes for Unallowable Expenses for Indirect Cost Recovery Purposes

## FIN-ACC-I-280



### About This Policy

Effective Date:

07-01-1992

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Responsible University Office:

**Financial Management Services**

Responsible University Administrator:

**Vice President and Chief Financial Officer**

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### Policy Statement

The following specific object codes must be used when paying for services that are allowable from university funds:

- Trustee/Board of Visitors Travel
- IU Hospital Services
- Prizes and Awards
- Hospitality Expenses

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### Reason For Policy

To specify that specific university object codes must be utilized when paying for items that are unallowable expenses for the purpose of indirect cost recovery. The use of the object code is necessary to segregate the charges from the pool of expenditures utilized for indirect cost negotiations.

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## Procedure

Utilization of these codes must be made on all financial transactions, i.e. requisitions and disbursement vouchers.

Copies of the object codes are available through the Office of Financial Management Services.

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## Definitions

**Object Codes:** Pertains to the university Chart of Account codes for income, expenses and balance sheet items.

**Indirect Cost Recovery:** An analysis performed identifying expenditures made by the university in support of sponsored programs. The study results in reimbursement rates for use by agencies supporting contracts and grants at the university.

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## History

The source to this policy is:

Office of Management and Budget (OMB) A-21 on Disallowances for Indirect Cost