

**SAM—MISCELLANEOUS ACCOUNTING PROCEDURES**

**ACCOUNTING FOR DIRECT AND INDIRECT COSTS**

**8757**

(Revised and Renumbered from 8753.3 6/85)

Departments will account for reimbursements, including receipts from the federal government, according to the following cost categories:

- Direct costs;
- Departmental indirect costs; and
- Central service costs.

Accountability by these cost categories encourages full cost recoveries including a fair share of central service costs.

Departments will establish subsidiary accounts for:

- Direct cost recoveries
- Departmental Indirect cost recoveries
- Central service cost recoveries

These accounts will be subsidiary to Account Number 8020—Federal Grants and Contracts, or Account Number 8100—Reimbursements, depending on the fund in which these monies are accounted.