

Cost Share: What Is It and How Do We Monitor It

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September 2022



Cost Share: What Is It

Cost-Sharing/Matching Costs

- Defined as the portion of the cost of a project not borne by the sponsoring agency
- Types of cost sharing:
 - Mandatory: Required by the sponsor as a condition of obtaining the award; stated in the program announcement or funding guidelines
 - Voluntary Committed: Represents resources offered by the university which are documented and quantified in the proposal; listed on the budget, but not required as part of the program announcement; should be discouraged as it becomes a binding commitment which the university must provide as part of the performance of the sponsored agreement; some sponsors, such as NSF, will not accept proposals including voluntary cost sharing.

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Cost Share: What Is It

Cost-Sharing/Matching Costs

- Types of cost sharing (cont.):
 - Voluntary Uncommitted: Effort for university faculty, including senior researchers, that is over and above that which is committed and budgeted for in a sponsored agreement; it is not part of the proposal budget; often is faculty academic year; should not be counted as cost sharing by auditors.
 - Most federal agencies only want to see cost-sharing if it is mandatory; it does not help the fundability of a project.

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Cost Share: What Is It

What Can be Used to Meet Cost Sharing Obligations?

- Cash
- Third Party Contributions
- Unrecovered F&A costs (only if allowed by agency)
- Graduate Student Tuition Differential
- Established values for contributions of services and property
- Volunteer Services (if necessary and integral part of project)
- Other employee services (valued at regular rate of pay + fringe benefits)
- Donated supplies (must be reasonable and at fair market value)

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Cost Share: What Is It

Cost Sharing Considerations

- Cash and third-party in-kind contributions must meet all of the following criteria:
 - Are verifiable from the recipient's records
 - Cannot be used as cost sharing on other federal projects
 - Are necessary and reasonable for the accomplishment of project objectives
 - Are allowable under the cost principles
 - Are not paid by the Federal government under another award
 - Are provided for in the approved budget when required by Federal agency
 - Conform to other provisions of Uniform Guidance, as applicable

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Cost Share: How To Monitor

Cost Sharing Monitoring Basics

- Cost share from **university sources** must be:
 - Approved by the college and/or university official prior to the proposal being submitted;
 - Recommitted to at award setup with the identification of a university chartfield string;
 - This cost share cfs must be used for all cost share expenses;
 - It is the responsibility of the PI and departmental/college research support staff to ensure that cost share expenses are identified and charged correctly;
 - Waived indirect and indirect costs on match are not assigned a CFS or recorded in PS. These are calculated monthly by post-award;

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Cost Share: How To Monitor

Cost Sharing Monitoring Basics

- Cost share from **university sources** must be:
 - Cost share expenses are reviewed and recorded on monthly cost share reports by OSP post-award staff;
 - For the tuition differential cost share, the department should send a copy of the SGA-2G form to their Post-Award Specialist to be captured in the monthly cost share report;
 - These cost share reports are used by SCA for invoicing and financial reporting

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Cost Share: How To Monitor

Cost Sharing Monitoring Basics

- Cost share from **third party sources** must be:
 - Identified and approved by the authorized official at the external organization prior to the proposal being submitted;
 - 3rd Party cost share must be documented using the university's 3rd Party Cost Share form;
 - It is the responsibility of the university PI to collect and maintain these 3rd Party Cost Share forms and to make them available as necessary to fulfill sponsor requirements;
 - 3rd Party Cost Share forms should be sent by the PI/dept. to their post-award Specialist so it can be documented and included on the match report.

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Cost Share: How To Monitor

Potential Issues Associated with Cost Sharing

- Unable to demonstrate to the funding agency that the cost sharing commitment has been fulfilled or is not tracked on a project-by-project basis.
- Cost sharing is not treated consistently with other project costs.
- F&A rate is overstated by not capturing cost sharing.
- Effort reports do not capture cost shared effort (both mandatory and voluntarily committed)
- The same cost sharing funds are used to meet the matching requirements on more than one project.

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Questions?

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