



# Administrative Procedure

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**Subject:** COST SHARE PROCEDURES

1.0. PURPOSE:

To establish procedures to guide the proper recording and documentation of cost sharing commitments for the University's Grants and Contracts activity.

2.0. ORGANIZATIONS AFFECTED:

- 2.1. Division of Administration and Finance, Financial Services.
- 2.2. UAS Contracts and Grants Administration.
- 2.3. The Office of Research and Sponsored Programs.
- 2.4. University Schools, Departments and Units.
- 2.5. Outside agencies.

3.0. REFERENCES:

- 3.1. OMB Circulars A-21; A-110; A-133.

4.0. POLICY:

The provision of University cost sharing is an important component to the grants and contracts activity. The process of providing cost sharing and cost sharing documentation on a grant includes many parties: the Principal Investigators (PI), the Office of Research and Sponsored Programs (ORSP), UAS Contracts and Grants Administration (UAS), the University, and the various Schools, Departments and Units within CSLA, and in some instances, outside partners. Considering the administrative requirements and responsibilities inherent in the cost sharing commitment, the appropriate University administrator should weigh the expected benefits of each cost sharing commitment, prior to making such commitments.

Cost-shared expenses for each project are to be accounted for separately. Records for cost sharing are retained for the same periods as the records for the related sponsored project.

**Approved:**

**Date:**

When project expenses result in more charges to a sponsored account than were funded, the amount of the over-expenditure is accounted for in the same manner as cost sharing. These costs represent project costs being borne by the respective University School, Department or Unit.

5.0. DEFINITIONS:

- 5.1. Cost Sharing—Cost Sharing refers to the resources contributed or allocated by the University and/or external sources to a sponsored project over and above the support provided by the extramural sponsor of the project.
- 5.2. Mandatory Cost Sharing—Mandatory cost sharing is that portion of the sponsored project which the University and/or external source contributes to a sponsored project which is required by the terms of that project.
- 5.3. Voluntary Cost Sharing—Voluntary cost sharing is that portion of the sponsored project which the University and/or external source contributes to a project on its own initiative, when there is not a specific sponsor requirement. If the proposed cost-sharing amount is included in the award budget and/or budget narrative, it should be documented and reported as if it were mandatory cost sharing.
- 5.4. Institutional Cost Sharing—Institutional cost sharing is a commitment that the University will use some of its resources for related research. This commitment is made at an aggregate level between the sponsor and the University.
- 5.5. University Administrator—A University Administrator is any Employee (such as: School Dean, Department/Unit Manager) who has responsibility for the management of University resources and the authority to pledge and monitor such resources for cost sharing.

6.0. RESPONSIBILITIES:

- 6.1. Principal Investigators will:
  - 6.1.1. Work with the ORSP to prepare budget proposals that include accurate information for cost share items.
  - 6.1.2. In conjunction with the University Administrator be responsible to ensure that resources are not committed more than 100%.
  - 6.1.3. Determine, in conjunction with the UAS and the University Administrator, how to best document and manage cost sharing from an outside source.

- 6.1.4. Monitor, in conjunction with the University Administrator, the cost sharing so that funds are being spent and reported according to the terms of the award.
- 6.1.5. Document, with the assistance of the University Administrator, the time and effort of personnel contributions to the cost share commitment. See Appendix 8.3.
- 6.2. The Office of Research and Sponsored Programs will:
  - 6.2.1. Work with the PI to prepare budget proposals that include accurate information for cost share items.
  - 6.2.2. Assure proper authorization from the departments/units and outside partners, if any, agreeing to provide cost sharing.
  - 6.2.3. Provide the UAS a copy of the executed internal campus approval form.
- 6.3. UAS Contracts and Grants Administration will:
  - 6.3.1. Create and assign a Project/Grant ID (chartfield) code for the project. Provide a copy of the award letter, budget, Approval Form (Appendix 8.1.) and the Cost Share Cover Memo (Appendix 8.2.) to the PI, the University Administrator, the Dean of Graduate Studies and Research, the ORSP and the University Budget Office, after an award that includes CSLA cost sharing is received.
  - 6.3.2. Provide a copy of the award letter, budget and Approval Form to the PI and the University Administrator after an award that includes cost sharing from sources other than CSLA is received.
  - 6.3.3. Determine, with the PI, how to best document and manage the cost sharing from an outside source and provide that information to the University Administrator.
- 6.4. University Administrator will:
  - 6.4.1. Initiate a request to setup the cost share budget on the CSLA General Ledger using the same Project ID that was assigned by the UAS for the particular award. (Use Budget Office's Budget Transfer Form).
  - 6.4.2. In conjunction with the PI, ensure that resources are not committed more than 100%.

- 6.4.3. Monitor, in conjunction with the PI, their cost sharing responsibilities to ensure that funds are being spent and reported according to the terms of the award.
- 6.4.4. Obtain from the PI, the Cost Sharing Certification Form confirming the time and effort of personnel as contributions to the cost share total. See Appendix 8.3.
- 6.4.5. Provide, on a quarterly basis, the Cost Sharing Certification Form and forward the Form to the UAS and the PI; and, provide a final report, at the end of the project.

7.0. PROCEDURES:

7.1. Proposal Stage:

- 7.1.1. The PI's and the ORSP will work together to prepare budget proposals that include accurate information for cost share items.
- 7.1.2. The ORSP will obtain the proper signatures and authorization on the internal campus Approval Form from PI(s), the University administrators agreeing to provide cost sharing and outside partners, if any, for cost shared items.

7.2. Award Stage:

- 7.2.1. The award will be received by UAS. If the award includes cost sharing from CSLA, the following procedures will be followed:
  - 7.2.1.1. UAS will create and assign a Project/Grant ID (chartfield) code for the project and forward a copy of the award letter, budget, Approval Form and the Cost Share Cover Memo to the PI, the University Administrator, the ORSP, the Dean of Graduate Studies and Research and the University Budget Office.
  - 7.2.1.2. The appropriate University Administrator(s) will initiate a request to setup the cost share budget on the CSLA General Ledger using the same Project ID that was assigned by UAS for the particular award. (Use the Budget Office's Budget Transfer Form).

7.2.1.3. The PI and the University Administrator will be responsible for tracking the cost share commitments to ensure that resources are not committed more than 100%.

7.2.2. If the award includes cost sharing from sources other than CSLA, the following procedures will be followed:

7.2.2.1. UAS will forward a copy of the award letter, budget and Approval Form to the PI and the University Administrator.

7.2.2.2. UAS and the PI will determine how to best document and manage the cost sharing from the outside source.

7.3. Award Administration:

7.3.1. PI's and the University Administrators will monitor their cost sharing commitments so that funds are being spent and reported according to the terms of the award.

7.3.2. PI's and University Administrators will document and reconcile the time and effort of personnel pledged to the cost sharing. (See Appendix 8.3)

7.3.3. If cost sharing is from sources outside of CSLA, the PI and the University Administrator shall be responsible for obtaining the documentation of cost sharing.

7.3.4. On a quarterly basis, the University Administrator will provide the Cost Sharing Certification Form showing a summary of expenditures with a description of cost share activity(ies) and forward the report to the UAS and the PI.

7.3.5. At the end of a project, the University Administrator will provide a final report of cost sharing to the UAS and the PI, with a written explanation of deviations, if the cost sharing is not equal to the original cost sharing commitment.

8.0. APPENDICES:

8.1. Approval Form for Externally Funded Contracts and Grants.

8.2. Sample Cost Share Cover Memo.

8.3. Cost Sharing Certification.

8.4. Sample Cost Sharing Report.

**Sample Cost Share Cover Memo**

Dear University Administrator:

A new award has been received that requires cost sharing on the part of the CSLA. The award has been setup by the UAS Contracts and Grants Administration as Project Number XXXXXX. Please use this same Project Number when creating the cost share budget in the CSLA General Ledger.

Attached you will find a copy of the budget and cover sheet specifying the source of the Cost Share amounts. I have summarized , below, the Cost Share information.

	<u>Source 1</u>	<u>Source 2</u>	<u>Source 3</u>	<u>Total</u>
Salaries	\$XX,XXX	\$X,XXX	\$X,XXX	\$XX,XXX
Fringe Benefits	\$ X,XXX	XXX	XXX	X,XXX
Equipment	\$XX,XXX	X,XXX	XXX	X X,XXX
Total	\$XX,XXX	\$X,XXX	\$X,XXX	\$XX,XXX

The period of the award runs from (mo./date/yr.) to (mo./date/yr.).

Please provide me with quarterly reports as of September 30, December 31, March 31 and June 30, as documentation of CSLA’s cost sharing for this project. I will need to include this information in my file for proper record keeping purposes. Please call me at extension 3-xxxx, if you have any questions.

Sincerely,

Contracts and Grants Financial Analyst

cc: University Budget Office  
Principal Investigator  
School/Unit Resource Manager