I. Procedure Statement

In accordance with the University Cost Sharing Policy, all mandatory or voluntary committed cost sharing and in-kind/matching must be identified, administered, and accounted for consistently throughout the University.

This document outlines the University procedures during the period of performance of any sponsored project or program and the information required in order to comply with any category of cost sharing commitment.

II. Who is Affected by This Procedure

This procedure applies to all new sponsored projects and programs as of July 1, 2010. It should be understood by Principal Investigators (PIs), Grant Managers, Department Managers, Department Chairs, Deans, Dean for Research, Sponsored Research Accounting (SRA), and the Office of Research and Project Administration (ORPA).
III. CONTENTS

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IV. DEFINITIONS

Allowable Costs – In order to be eligible to be considered as cost sharing, costs must be verifiable from the official University records. Tests for allowability of costs include the following:

- not previously used as cost sharing for another project (the same cost sharing expenditures cannot be used for multiple projects)
- reasonable and allocable to the project (OMB Circular A-21)
- allowable under the terms of the award and under OMB Circular A-21
- conform to other provisions of OMB Circular A-110, as applicable
- incurred during the effective dates of the grant or during the pre-award phase when authorized by the sponsor
- not paid by the federal government under another award

Coeus – University grants management database for administering proposals and awards; principal tool for recording the budget for mandatory and voluntary committed cost sharing at the University

Coeus Cost Sharing Destination Account – Coeus field that records the Fund 30 Coeus Cost Sharing Project Grant used solely to accumulate committed cost sharing expenditures. The Coeus Destination Project Grant captures the funding transferred from the Coeus Source Project Grant.

Coeus Cost Sharing Project Grant – Lower-level Coeus Fund 30 Project Grant used solely to accumulate committed cost sharing expenditures

Coeus Cost Sharing Project Year – Coeus field that records the cost sharing commitments for each project year of the sponsored award, beginning with the fiscal year of the effective date of the
sponsored award; e.g., an award effective date of July 1, 2011 corresponds to Coeus Cost Sharing Project Year “2012”

**Coeus Cost Sharing Source Account** – Coeus field that records the Project Grant from which funding is transferred to fund committed cost sharing expenditures

**Committed Cost Sharing** – cost sharing specifically pledged in the proposal budget or sponsored agreement; included in the organized research base for Facilities and Administrative (F&A) purposes

**Cost Sharing - OMB Circular A-110** defines “cost sharing” or “matching” as that portion of a project or program costs not borne by the sponsor. It includes both cash and in-kind contributions that a recipient makes to an award:
- **Cash contributions**: The recipient’s cash outlay, including the outlay of money contributed to the recipient by third parties.
- **In-kind contributions**: Non-cash contributions in the form of real property, equipment, supplies, and other expendable property, and the value of goods

**Labor Accounting** - systematic recording and maintenance of the charges incurred for the compensation or financial support of an individual

**Mandatory Cost Sharing** – cost sharing required by the sponsor as a condition of the award

**Overrun** – spending exceeds funding on a Project Grant

**Project Grant (P/G)** – Unique seven-digit number recognized by Coeus and PeopleSoft Financial System and used to record financial activity in an award or a sub-portion of an award

**Unallowable Costs** - costs considered **unallowable by the University** or by the sponsor:
- costs considered unallowable under **OMB Circular A-21** or under the terms of the sponsored award
- salary amounts exceeding a regulatory salary cap (e.g., National Institutes of Health)
- University facilities such as laboratory space

**Unrecovered Indirect Costs** – also known as underrecovery; the difference between the University’s federally negotiated Facilities and Administrative Cost rate and the rate allowed by the sponsor

**Voluntary Cost Sharing** – cost sharing offered when no mandatory cost sharing requirements exist, or cost sharing which is in excess of mandatory cost sharing requirements

V. **LINKS TO RELATED POLICY AND PROCEDURES**

[Cost Sharing Policy](#)

[Cost Transfer Policy](#)
Flow Chart of the Approval Process for Mandatory and Voluntary Cost Sharing

Procedure - Cost Sharing in Proposals

VI. PROCEDURES

COST SHARING IN AWARDS

The following steps represent the cost sharing process from award initiation throughout the duration of the sponsored project or program:

1. ORPA will review the terms of the award to understand the cost sharing commitments and communicate any changes from the proposed cost sharing commitments to the department administrator and PI.
2. The PI’s department administrator will provide to ORPA the Project Grant numbers for all departmental sources of funded cost sharing.
3. ORPA will establish a new Coeus Cost Sharing Project Grant to include the cost sharing details specified during the proposal stage and any sponsor-approved modifications in the award initiation stage.
4. ORPA will notify the department administrator, PI, and SRA of the Coeus Cost Sharing Project Grant.
5. When this notification has been received, the PI’s department administrator will request all responsible departments to transfer their share of funding to the Fund 30 Cost Sharing Project Grant.
6. The department administrator and PI will guide award expenditures through proper University channels in order to meet cost sharing commitments, review cost sharing expenditures for allowability, provide appropriate backup documentation to ORPA and SRA, and maintain documentation in the departmental project grant file.
7. The department administrator and PI will submit to ORPA and SRA any modifications to the original committed cost sharing budget.
8. ORPA will maintain the cost sharing budget in Coeus and will obtain sponsor approval for any modifications as necessary.
9. The department administrator, PI, and SRA will verify the final cost sharing commitment.
10. SRA will prepare and submit reports to sponsors certifying cost sharing.

AWARD INITIATION

ORPA will review the terms of the sponsored agreement to understand the cost sharing commitments required. ORPA will communicate to the department administrator and PI any changes from the proposed cost sharing commitments. Most sponsored agreements require...
that the cost sharing commitment be fulfilled by the expiration of the award. However, there may be interim obligations for expenditures and/or reporting. Any cost sharing commitments should be understood by ORPA, the department administrator, and the PI, and the detailed cost sharing budget should be included in the Coeus Cost Sharing Project Grant.

**COEUS COST SHARING AWARD SETUP**

**Cost Sharing Source(s)**

The PI’s department administrator will provide to ORPA the appropriate Project Grant number(s) for all departmental sources of funded cost sharing included in the original proposal and/or any modification reflected in the sponsored agreement. ORPA will enter the Project Grant(s) into the Coeus Cost Sharing Source Account field.

**Cost Sharing Project Grant Establishment**

ORPA will establish a lower-level Coeus Fund 30 Project Grant, or Cost Sharing Project Grant, used solely to accumulate committed cost sharing expenditures. The Cost Sharing Project Grant will also be entered into Coeus as the Coeus Cost Sharing Destination Account. The Cost Sharing Project Grant will include the detailed cost sharing budget included in the original proposal and/or any modification reflected in the sponsored agreement.

**Cost Sharing Budget**

The detailed cost sharing budget included in the original proposal and/or any modification reflected in the sponsored agreement will be entered into the Coeus Fund 30 Project Grant, or Cost Sharing Project Grant.

**Coeus Cost Sharing Project Year** - The cost sharing budget details are broken down by project year. The Coeus Cost Sharing Project Year reflects the cost sharing commitments for each project year of the sponsored award, beginning with the fiscal year of the effective date of the sponsored award and ending with the proposed, or anticipated, final year of the project. For example, an award has been funded for only the first year with an effective date of July 1, 2011, but the award is anticipated to be funded for a three-year period if all future funding increments are issued by the sponsor. The Coeus Cost Sharing Project Years will be entered as 2012, 2013, and 2014.

**Cost Sharing Details** – Cost sharing funded by the University and/or department(s) or contributed by third parties must be entered in detail within the Coeus Cost Sharing Project Grant. The cost sharing details must be entered for each project year of the sponsored award,
both funded and anticipated, and must include the cost sharing types, funding amounts, source accounts, and applicable comments. See APPENDIX A – COEUS COST SHARING AWARD SETUP for a list of cost sharing types and the corresponding information required for the Coeus Cost Sharing Project Grant.

**Coeus Cost Sharing Project Grant Notification**

ORPA will notify the department administrator, PI, and SRA of the Coeus Fund 30 Cost Sharing Project Grant.

**PEOPLESOFK COST SHARING FUNDING**

**Initial Funding Transfers**

Upon receipt of the notification of the Fund 30 Cost Sharing Project Grant establishment, the PI’s department administrator will request all responsible departmental sources to transfer their share of funding to the Fund 30 Cost Sharing Project Grant. See APPENDIX A – COEUS COST SHARING AWARD SETUP for the list of responsible departmental sources.

**Fund 30 Cost Sharing Project Grant Expenditures**

During the period of performance of the sponsored award, a variety of costs will be charged to the Fund 30 Cost Sharing Project Grant in PeopleSoft. See APPENDIX B – COST SHARING FUNDING AND DOCUMENTATION for funding methods based on cost sharing types.

**Incremental Funding**

Typically, funding transfers occur on an incremental, often annual, basis during the period of performance of the sponsored award. The incremental basis corresponds with the future funding modifications as issued by the sponsor. Upon receipt of a new funding increment on an existing sponsored award, the PI’s department administrator will once again initiate a request to all responsible departmental sources for transfer of funds from the appropriate Source Account(s) to the Fund 30 Cost Sharing Project Grant in PeopleSoft. The request should reflect the cost sharing details specified in the Coeus Cost Sharing Project Grant during the award initiation stage.

**AWARD MONITORING**

Award monitoring of the cost sharing expenditures should be performed on a routine basis by the department administrator and PI in order to ensure that cost sharing obligations are fulfilled. The department administrator and PI are cautioned that they are ultimately responsible for fulfilling the cost sharing commitment proposed. If proposed forms of cost
sharing are not achieved, the department administrator and PI must identify alternate forms of cost sharing to fulfill the obligation to the sponsor.

Modifications

The department administrator and PI will submit to ORPA and SRA any modifications to the original detailed cost sharing budget. ORPA will maintain the cost sharing budget in Coeus and will obtain sponsor approval for any modifications as necessary.

*Unfunded option years* - If the sponsor does not issue the University all future funding increments that were anticipated at the award initiation period, then the cost sharing commitments for the unfunded option years should be reviewed and adjusted accordingly. The department administrator and PI should consult with ORPA and SRA to confirm the sponsor’s requirement and ensure that adjustments on the cost sharing commitment can be made.

*Re-budgeting* - Generally, the cost sharing obligation requires meeting the total commitment without restrictions on specific costs, as long as the costs are considered allowable. However, some sponsors may require prior written approval for re-budgeting between all line items in the approved cost sharing budget or approval for adding certain types of unbudgeted costs. The department administrator and PI should consult with ORPA to obtain sponsor approval for any re-budgeting as necessary.

Documentation

When cost sharing or matching is accepted by the sponsor, it becomes a commitment of the University. Throughout the sponsored project or program’s period of performance, the PI and the department must maintain sufficient documentation to substantiate the actual cost sharing contribution. The specific type of documentation required is based on the nature of the award, taking into consideration the type of cost sharing, the terms of the sponsored agreement, and other circumstances of the award. Documentation within the University’s financial accounting system should be provided whenever possible. All cost sharing documentation should be maintained in the department, ORPA, and SRA files for no less than the required record retention period specified in the sponsored agreement. See APPENDIX B – COST SHARING FUNDING AND DOCUMENTATION for a list of required documentation based on the cost sharing type.

Overruns

An overrun on a Fund 40 or 60 Project Grant may be used to meet part of any cost sharing commitment for the same Fund 40 or 60 Project Grant, provided that the costs are recognized
as allowable by the sponsor. The overrun may not be charged to another sponsored project or program or used to meet the cost sharing commitments on another sponsored project or program. When such overruns occur, the department and PI are responsible for notifying SRA and initiating a cost transfer per the Cost Transfer Policy.

**Reporting**

Upon the expiration of the sponsored award or as required during the period of performance, the University is responsible for providing information to sponsors that demonstrates that the University has fulfilled the cost sharing commitments that were made as a condition of receiving the sponsored agreement. SRA is responsible for preparing and submitting cost sharing reports to sponsors. In order to fulfill this requirement, department administrators must provide to ORPA and SRA the documentation required by the department as shown in APPENDIX B – COST SHARING FUNDING AND DOCUMENTATION. SRA will conduct the final review of the Fund 30 Cost Sharing Project Grant expenditures in PeopleSoft to ensure that the actual expenditures fulfill the cost sharing obligation of the sponsored award and are considered allowable costs. Copies of any cost sharing reports prepared and submitted to the sponsor by SRA will be provided to the department and ORPA.

<table>
<thead>
<tr>
<th>VII. Forms</th>
<th>PI &amp; Dept Administrator</th>
<th>ORPA</th>
<th>SRA</th>
</tr>
</thead>
<tbody>
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<tr>
<th>VIII. Contact Roles and Responsibilities</th>
</tr>
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<tbody>
<tr>
<td>Reviews the terms of the award to understand the cost sharing commitments</td>
</tr>
<tr>
<td>Provides project grant numbers for all departmental sources of funded cost sharing</td>
</tr>
<tr>
<td>Enters cost sharing details of the award into Coeus Fund 30 Cost Sharing P/G</td>
</tr>
</tbody>
</table>
Requests transfer of funds from all responsible departmental sources to the Fund 30 Cost Sharing P/G initially and incrementally during entire period of performance

Guides expense requests through proper University channels in order to meet cost sharing commitments

Maintains documentation of cost sharing commitments as appropriate

Submits to ORPA and SRA any modifications to the original committed cost sharing budget

Obtains sponsor approval for any modifications as necessary

Reviews cost sharing expenditures for allowability

Verifies cost sharing commitment

Prepares and submits reports to sponsors certifying cost sharing

IX. APPENDICES

APPENDIX A – COEUS COST SHARING AWARD SETUP

APPENDIX B – COST SHARING FUNDING AND DOCUMENTATION

X. UPDATE LOG

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<th>Action</th>
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</thead>
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<td>11/26/2012</td>
<td>Updated policy contacts</td>
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<tr>
<td>02/21/2011</td>
<td>Approved</td>
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