Cost Sharing
Why and How

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AGENDA

- What is Cost Sharing
- Why Cost Share
- What is Allowable
- Managing Cost Sharing during the life of the project
- What happens at Closeout
What is Cost Sharing?

- That portion of the project not borne by the federal government that must be:
  - Verifiable and auditable
  - Not included as contributions for any other federally-assisted project or program
  - Necessary and reasonable for accomplishment of objectives
  - Allowable under the applicable cost principles (A-21)
  - Not paid from Federal funds, unless authorized by Federal statute
Mandatory or Voluntary Committed

- Mandatory – required by the sponsor as a condition of the award
- Voluntary Committed – not required by the sponsor but is included in the proposal’s budget and/or budget justification
Voluntary Uncommitted

- This is effort or expenses that are in excess of committed or budgeted amounts; this effort or expenses are NOT in the proposal project description, budget or budget justification
Voluntary Cost Sharing becomes Mandatory

- Even if a sponsor does not require cost sharing, if it is offered in a proposal to the sponsor (either in the budget or quantified in the narrative) and the proposal is accepted, then the cost share becomes “mandatory” to track
Remember

*Commitments* in proposals become *Requirements* upon award
Why Cost Share

- Sponsor RFP requires cost share
- Scope of work requires resources greater than commitment by sponsors
Why Not to Cost Share

- Cost share should not be committed if PI wants to do so to enhance their ability to win awards

- Cost share may be discouraged or disallowed by sponsor’s RFP
  - voluntary committed cost sharing is prohibited by NSF except when required by a specific solicitation

*Proposal and Award Policies and Procedures Guide (NSF 11-1)*
Cost Sharing & Allowability
OMB Circular A-21

Factors affecting allowability of costs:
- Reasonable – necessary, prudent, consistent with institutional policies and practices
- Allocable – incurred solely to advance the work under sponsored agreement, benefits are measurable, necessary
- Consistent treatment of costs
- Conform to limitations/exclusions set forth in A-21 or in sponsored agreement as to types or amounts of cost items
Include in Proposal Budget

- All committed cost sharing should be included in the UD Grants proposal system record
- It should be entered in the budget line summary panel
## Enter Budget Detail

**Proposal:** 11A00693  
**ID:** F101  
**Title:** ORAU POWE AWARD ROSENTHAL  
**Number:**  
**Currency:** USD

### Details, CostShare, Justification

<table>
<thead>
<tr>
<th>Line</th>
<th>Budget Item</th>
<th>Description</th>
<th>Details</th>
<th>Total Direct</th>
<th>Sponsor Direct</th>
<th>Cost Share</th>
<th>Mandatory Cost Share</th>
<th>Institution Cost Share</th>
<th>Third Party Cost Share</th>
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</thead>
<tbody>
<tr>
<td>10</td>
<td>EQUIP</td>
<td>Equipment</td>
<td></td>
<td>5,000.00</td>
<td>5,000.00</td>
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<tr>
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<tr>
<td>30</td>
<td>SUPLNO</td>
<td>Supplies - NO F&amp;A</td>
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<td>2,000.00</td>
<td>0.00</td>
<td>Cost Share</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Sponsor Direct:** 5,000.00  
**Sponsor F&A:** 0.00  
**Total Sponsor Budget:** 5,000.00

**Institution Cost Share:** 5,000.00  
**Institution Cost Share F&A:** 0.00  
**Total Inst C/S Budget:** 5,000.00

**Third Party Cost Share:** 0.00  
**Total TP C/S Budget:** 0.00

**Total Direct:** 10,000.00  
**Total F&A:** 0.00  
**Total Budget:** 10,000.00

[Return to Maintain Proposal]
Tracking Cost Share

- Companion Purposes
- LAM – Labor Allocation Module
- Obligations
- Utilize Userfield and Project
- Subcontracts
Companion Purpose

- If you have requested and been approved to have cost share from RO when the award is set up, RO will request the establishment of a companion purpose for RO’s cost share amount. A good practice would be to use this purpose to deposit all other committed cost share funds, i.e. from College, department, etc.
LAM – Labor Allocation Module

- Cost sharing where effort is shown on the sponsored project proposal budget or budget justification with no corresponding funding requested or awarded may be tracked through the LAM.

- When cost sharing is distributed via the LAM, it will be reflected in the individual’s effort certification record.
LAM Cont.

- XXXX11MTCH: use this for basic budget-funded salary that you specifically want to track as match; this would select XXXX110000 as the **Purpose** and University Sponsored Research (RSCH6) as the **PS Program**

- **NOTE:** When using Speedtypes that point to University Sponsored Research as the **PS Program** (that is, Speedtypes ending in MTCH), you should include the Project that refers to the contract or grant that you are matching.
Userfield and Project code

- You can use userfield and project code on all UD webforms to identify transactions for cost sharing.
- Departments need to identify a naming convention for their userfields.
Subcontracts with Cost Share

- When a subcontract commits cost share, this should be documented in the subcontract and needs to be tracked by UD. Even though the subcontract is required to meet the commitment, UD as the prime recipient is responsible for making sure that all of the cost share is met
Closeout

- Match documentation/confirmation
  - Submit to RO with the ACR (automated closeout report) no later than 60 days after award has ended, or earlier depending on sponsor deadlines.
Voluntary vs. Mandatory

- Mandatory reporting
  - must be included on financial reports

- Mandatory documentation
  - must be kept in file for audit
What match can RO obtain?

- Grad tuition
  - when grad student has 100% effort on project
- Waived F&A
- Salary, when LAM is correctly documented
- Expenses tagged as match or with project id#
What match must dept provide?

- Tuition, if student is not paid on grant, or if effort is less than 100%
- Match from external sources
  - signed certification is required
- Other misc. expenses, not tagged
Consequences of unmet Cost Sharing Obligations:

- May have to reduce amount of funds received from the sponsor. If you have already received funds from sponsor, may need to pay portion back.

- PI may request a match reduction from sponsor - this will delay the closeout
What if match differs from budget?

- Generally OK to re-budget match if appropriate to project scope

- If a specific match expense is a condition of the award, you may not substitute other expenses
What can’t be used as match?

- Federal funds
- UD space/facilities
- Waived F&A on equip or tuition
- Expenses already reported as match on other projects
- Expenses not allowable under award terms & conditions
- Expenses outside award time period
How long must match doc be kept?

- Until the corresponding award is destroyed
## Do’s and Don’ts

<table>
<thead>
<tr>
<th>Do’s...</th>
<th>Don’ts...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Track/document all cost shared items for an award</td>
<td>Include items already noted as a contribution on another award</td>
</tr>
<tr>
<td>Include only those items necessary and reasonable for the project</td>
<td>Include items unallowable per the applicable cost principles</td>
</tr>
<tr>
<td>Include mandatory and voluntary committed items noted in budget or budget justification</td>
<td>Include items paid by the Federal government under another award, unless authorized</td>
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Additional Resources

- Part 3 in a series for Effort Training (Policies Overview Training) primarily covers effort match at http://www.udel.edu/research/training/efforttraining.html
ANY QUESTIONS ??????