



## Sponsored Project Administration

<b>Procedure:</b>	<b>Cost Share Procedure</b>
<b>Owner:</b>	<b>Sponsored Project Administration</b>
<b>Effective date:</b>	<b>07/17/2018</b>
<b>Last Updated:</b>	<b>01/4/2024</b>

## Background

Cost sharing on a sponsored project occurs when UVM contributes quantifiable resources to a project beyond the amount paid for by the sponsor. Cost sharing has a significant financial impact on the department providing the funds and on the University as a whole.

Types of cost sharing:

### Mandatory Cost Sharing

Required by the sponsor as a condition for applying and being selected for funding. Mandatory cost sharing will be accounted for and is reportable in financial reports being submitted to the sponsor. Any change to mandatory cost sharing must be approved by the sponsor.

### Voluntary Committed Cost Sharing

Consistent with the [Uniform Guidance \(2 CFR 200.99\)](#), voluntary committed cost sharing means cost sharing specifically pledged (quantifiable) on a voluntary basis in the proposal's budget or budget justification. Voluntary committed cost sharing is not expected in federal research proposals and cannot be used as a factor during the merit review of applications or proposals ([UG200.306](#)) but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity.

### Voluntary Uncommitted Cost Sharing

May be provided after the grant is awarded and is not outlined in the proposal. There is no obligation or binding agreement with the sponsor that requires the commitment to be met or reported to the sponsor.

### Internal Commitments

UVM and sponsor requirements may lead to needing to utilize cost share chart strings on an award without being cost share committed to the sponsor. For example, UVM's commitment to pay salaries at the institutional base salary rate regardless of sponsor salary cap mandates, or a PI minimum effort requirement when reimbursed by sponsored funds and not committed in a quantifiable way to the sponsor.

### UVM Limits Cost Sharing

UVM limits cost sharing on a sponsored project to mandatory cost sharing only; however, voluntary committed cost sharing is allowed where the academic unit has determined that such a contribution is necessary to ensure a competitive proposal.



## Purpose

This document sets forth the procedure for proposing, managing and reporting cost sharing on a sponsored project.

## Roles and Responsibilities

### Principal Investigator

- Requests cost share or matching funds from the unit(s) and/or identifies in-kind contribution sources.
- Works with Unit Administrator to collect cost share approval form from any unit providing cost share outside of submitting department.
- Works with Unit Administrator, SPA Research Administrator, and SPA Financial Analyst to address any concerns relating to cost share approvals.
- Works with Unit Administrator to enter and correctly categorize cost sharing budget in UVMClick
- Works with Unit Administrator to complete the cost share section of the Award Data Collection Form
- Works with Unit Administrator to ensure cost share expenses are properly managed and allocated correctly within UVM's financial system, PeopleSoft.
- Responsible for obtaining third party cost share documentation, as it is not recorded in PeopleSoft.
- Ensures cost share requirements are accounted for and accomplished.
- Provides justification for any mandatory cost share change requiring sponsor approval.

### Unit Administrator

- Confirms chart strings for cost share commitments.
- Confirms that matching funds and cost sharing are documented and approved.
- Works with Principal Investigator to collect cost share approval form from any unit providing cost share outside of submitting department.
- Works with Principal Investigator to enter and correctly categorize cost sharing budget in UVMClick.
- Serves as a resource to the Principal Investigator for any questions relating to cost share.
- Works with Principal Investigator to complete the cost share section of the Award Data Collection Form
- Ensures budget entries and funding for cost share are setups in both the project ledger and operating ledger within PeopleSoft.
- Enters or initiates transactions to allocate cost share expenses to a sponsored project.
- Monitors cost share commitments and expenses in project ledger and operating ledger.
- Assists Principal Investigator to ensure cost sharing is accounted for and accomplished.

### Department Chair, Dean or other individual making the financial commitment

- Approves unit commitments for cost sharing.

### SPA Research Administrator

- Review sponsor guidelines for any required cost share and ensure cost sharing is in compliance with proposal guidelines/solicitation.
- Reviews cost share commitments for allowability with sponsor and university requirements.
- Confirms cost share budget in UVMClick is accurate and any required approvals have been obtained.
- Submits prior approval requests to the sponsors for a change in cost share commitment.



#### SPA Award Acceptance Officer

- Reviews Proposal and Award document for cost share requirements.
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- Obtains cost share budget and valid cost share chartstrings from Unit Administrator included in the Award Data Collection form.
- Reviews cost share information provided in Award Data Collection form to ensure all cost share commitments will be met.
- Prepares setup instructions.

#### SPA Award Setup Specialist

- Sets up cost share chartstrings and budget in PeopleSoft for all UVM direct cost share. Records reportable cost share in award profile
- Sends out award setup notifications including cost share requirements and chartstrings to the PI and Unit Administrator

#### SPA Financial Analyst

- Periodically reviews cost share commitments and activity during financial reporting.
- Completes and submits reports of financial activity, including cost share to sponsors.
- Sets up additional cost share chartstrings on the project ledger within PeopleSoft when requested by the Unit Administrator.
- Communicates cost share issues to the Unit Administrator, if discovered during a scheduled financial report review.
- Coordinates with SPA Research Administrator and Unit Administrator to obtain approval from the awarding agency for any significant reduction or rebudgeting of cost share commitments.

#### Financial Reporting and Accounting Services (FRAS) staff

- Approve cost share chartstrings per the guidance in the “Cost Share Chartstrings” section of this procedure.

### Definitions

**Mandatory Cost Sharing:** Required by the sponsor as a condition for applying and being selected for funding. Mandatory cost sharing will be accounted for and is reportable in financial reports being submitted to the sponsor. Any change to mandatory cost sharing must be approved by the sponsor. This cost sharing expense must be made within the period of performance of the sponsored project.

**Voluntary Committed Cost Sharing:** Consistent with the Uniform Guidance (2 CFR 200.99), voluntary committed cost sharing means cost sharing specifically pledged (quantifiable) on a voluntary basis in the proposal’s budget or budget justification. The commitment must be tracked throughout the life of the award. Although committed voluntarily, this cost sharing expense must be made within the period of performance of the sponsored project.

**Voluntary Uncommitted Cost Sharing:** May be provided after the grant is awarded and is not outlined in the proposal. There is no obligation or binding agreement with the sponsor that requires the commitment to be met or reported to the sponsor.

An example of voluntary uncommitted cost sharing is when faculty and/or senior researchers report an effort to sponsored agreements above and beyond the committed effort. Voluntary uncommitted cost sharing does in not tracked or reported to the sponsor.



**Facilities and Administrative (F&A) Costs:** Expenditures that cannot be directly allocated to a project. F&A costs are intended to recover the cost of sponsored project administration, department and college research administration, research compliance, purchasing, accounting, libraries, custodial services, building depreciation, and utilities. They are budgeted and collected as a percentage of the direct costs.

**Unrecovered F&A:** Unreimbursed indirect costs which the University forfeits when it is the written policy of the sponsor to pay a rate less than the University's negotiated F&A rate with the federal government or those indirect/overhead costs that support the direct costs contributed by the University to the project for which the University is not reimbursed by the sponsor.

**Salary Cap:** The portion of a faculty or staff member's salary and associated fringe benefits that exceed the regulatory maximum imposed by the sponsor. The salary cap cannot be used to meet a mandatory or voluntary committed cost sharing requirement since it is considered an unallowable cost to the sponsor. The salary cap does not require cost share approvals.

**Sponsored Project Ledger Group:** PeopleSoft ledger that shows both the detail of expenses by account for all direct costs and total expenses in relation to sponsored projects. This will be referred to in this document as project ledger.

**Operations Ledger Group:** PeopleSoft ledger that shows both the detail of expenses by budgetary account and total expenses for all operating funds. This will be referred to in this document as operations ledger.

**Third Party Cost Sharing:** Third party (not UVM) contributions being formally used to directly support a sponsored project. This may be cash or non-cash contributions.

**SPA:** Sponsored Project Administration

**FA:** Financial Analyst

**PI:** Principal Investigator

**UA:** Unit Administrator (For the purpose of all procedures, Business Unit Administrator, Business Manager, Grant Administrator and Department Administrator are all used interchangeably and refer to the person assisting the PI in the Department.)

## Procedure

### Cost Sharing Guidance at time of Proposal

- Cost sharing is limited to mandatory cost sharing; however, voluntary committed cost sharing is allowed if the academic unit has determined that such a contribution is necessary to ensure a competitive proposal.
- When cost sharing is mandatory, a copy or web link to the funding opportunity, regulations or guidelines must be submitted to SPA with the proposal.
- When cost sharing is not mandatory or necessary for the competitiveness of a proposal, PIs and departments should refrain from making such commitments voluntarily.
- In all situations, the use of cost sharing should be kept to a reasonable level because of the burden that cost sharing places on institutional or departmental resources.

### Proposing Cost Share

#### Principal Investigator

- Works with Unit Administrator SPA RA to define types of cost sharing, whether mandatory or voluntary in the proposal.



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- Works with the Department Chair, Dean or other individual making the financial commitment to obtain approval of the funds to be used as cost share and obtain appropriate documentation for proposal submission.
- Prepares and submits proposal budget and justification, including cost sharing to SPA RA in the routing process.

### **SPA Research Administrator**

- Reviews sponsor guidelines for any required cost share and ensures cost sharing is in compliance with proposal guidelines/solicitation.
- Reviews cost share commitments for allowability with sponsor and university requirements.
- Confirms cost share budget in UVMClick and cost share included in the proposal budget and justification are accurate and any required approvals have been obtained.

### **Award Acceptance with Cost Share**

#### **SPA Award Acceptance Team**

- Reviews sponsored agreement and proposal materials for mandatory and voluntary cost share.
- Works with the UA or PI to obtain Award Data Collection Form for cost share budget and chartstrings for entry into PeopleSoft.
- Checks and updates base salary for PI, Co-PI, and other Key Personnel to ensure an individual's salary is not over a sponsor's salary limitation.

#### **Unit Administrator**

- Provides SPA Award Acceptance with chartstrings for setup in project ledger within PeopleSoft.
- Confirms the budget worksheet accurately reflects the committed cost share as proposed and awarded.

#### **Financial Reporting and Accounting Services (FRAS) staff**

- Approve cost share chartstrings per the guidance in the "Cost Share Chartstrings" section of this procedure.

### **Award Setup with Cost Share in PeopleSoft**

#### **SPA Setup Specialist**

- Sets up cost share chartstrings in the project ledger and records cost share requirements in PeopleSoft.
  - Note – Third-party cost share and waived F&A is not tracked in PeopleSoft. It is the responsibility of the PI to track and obtain documentation for third-party cost share.
- Sends out award setup notifications including cost share requirements and chartstrings to the PI, UA, and Dean's office staff.

#### **SPA Financial Analyst**

- Reviews cost share chartstrings and commitments in project ledger after the award is setup in PeopleSoft.
- Enters cost share rebudgets in the project ledger within PeopleSoft when required or requested.
- Modifies or adds additional cost share chartstrings in project ledger as requested by the UA.

#### **Unit Administrator**

- Ensures the chartstrings are correctly setup and funded in the operating ledger within PeopleSoft.
  - The chartstrings that are added into the project ledger by SPA, need to have the corresponding chartstring and funding added to the operating ledger.

### **Cost Share Chartstrings**

**Commented [JT1]:** Can someone review this?



## The University of Vermont

University of Vermont uses a comprehensive chart of accounts to properly record and account for the University's financial activities, including sponsored project cost sharing. The 3-digit fund value is used to track spending restrictions and designations, and to categorize UVM's net positions for external reporting. The 6-digit source value tracks the source of revenues and expenses for operational and educational programs, sponsored projects, contributions from donors, etc. In order to comply with the regulations from federal agencies as well as the terms and conditions of gift and endowment agreements, the following requirements must be met.

### Fund 100

UVM's general fund is unrestricted and can be used as cost share on any sponsored project.

### Fund 150

UVM uses fund 150 to record various income and expense activities. It cannot be used as cost share on sponsored projects because a portion of its revenue comes from billing federal awards.

### Fund 305

Fund 305 is used to record non-sponsored activities associated with funds received from external organizations. It is allowed as cost share on sponsored projects if used in combination with the source codes listed below. All other fund 305 / source xxxxxx combinations require prior approval from Financial Reporting and Accounting Services (FRAS).

UVMMC Commitment	200001	Behavior Therapy Ctr	200012
FAHC Clin Trial	200003	UVMMC Base - Dean Disc	200028
UVMMC UHC	200005	UVMMC Base - Dean Disc/Consult	200029
UVMMC GME	200006	UVMMC Dean Tax - Dean Disc	200030
UMEA	200009	Child//Adolescent Psy Trng/Rsch	200115
RCCCYF	200010	UVMMC Dean Tax - Dean/Chairs	200031

### All Other Funds

Units may use several other funds (gifts, endowments, etc.) as cost share on sponsored projects with approval from Financial Reporting and Accounting Services (FRAS).

## Award Management with Cost Share

### SPA Financial Analyst

- Reviews and prepares financial reports.
- During report preparation, reviews actual cost share expenses posted in the project ledger against the award agreement or proposal and notifies the UA if issues or discrepancies are found or if the cost share commitments are not being met.
- Works with UA to obtain justification for a reduction in cost share commitments or significant cost share rebudgeting.
- Coordinates with SPA RA and UA to submit the prior approval to the sponsor if required.

### Principal Investigator



## The University of Vermont

- Once the cost share commitment has been set up in PeopleSoft, ensures cost share requirements are met as proposed/awarded. The award cannot be closed out until all the cost share has been met and documented in the system. UA will ensure the following:
  - Reviews cost share commitment in the award document and proposal against expenses posted in the system.
  - Communicates with the PI to obtain third-party cost share documentation as needed.
  - Forwards any third-party cost share documentation to SPA FA.

### Unit Administrator

- Works with the PI to ensure cost share is being met throughout the period of performance and no later than the award closeout.
- Communicates with SPA RA and SPA FA for a significant reduction or changes in cost share commitments.
  - Note – not meeting cost share commitments will have a significant impact on sponsor funding. In many cases, sponsors will reduce the allowable sponsor funding by the amount not met in cost share. Every effort should be made to meet all cost share commitments as proposed/awarded.

### Financial Reporting and Accounting Services (FRAS) staff

- Approve cost share chartstrings per the guidance in the “Cost Share Chartstrings” section of this procedure.

## Award Close-Out with Cost Share

### Unit Administrator

- Reviews cost share commitments to ensure cost share has been met as proposed/awarded.
- Provides SPA FA with all required cost share documentation.
- Coordinates with the PI on any cost share issues as needed.

### SPA Financial Analyst

- Confirms cost share requirements to ensure they were met as proposed/awarded.
- Works with UA/PI on any potential issues with cost share commitments.
- In rare cases, coordinates with SPA RA to submit a request to the sponsor for approval of any deviations of cost share noted in the award document.
- Completes and submits a financial report to the sponsor.

## FAQs

### [Cost Share Procedure Appendix A FAQ](#)

## Helpful Links

### University of Vermont

- [Cost Sharing Commitments](#)

### External

- [200.29 Cost Sharing Definition](#)
- [200.99 Voluntary committed cost sharing](#)
- [200.306 Cost Sharing or Matching](#)



The University of Vermont

- [NSF Cost Share Policy](#)
- [Related NSF FAQs](#).

#### Document Change Record

Date	Version	Author	Change Details
07/17/2018	1	SPA	Initial release
07/27/2018	1.2	SPA	Background Section Updated
04/20/2020	1.3	SPA	Described the role of Financial Reporting and Accounting (FRAS) staff. Added Cost Share Chartstrings section
05/4/2020	1.4	SPA	Grammatical Fix
4/30/2021	1.5	SPA	Link Update