

# Cost Sharing on Sponsored Projects

Presented by  
Linda Serrantonio &  
Julie Macy



The University of Vermont

# SPA EDU Offerings

Course Name	PS Course	Facilitators	Scheduled Dates
SPA Seminar: Introduction to Sponsored Project Administration	POL012	Sonya Stern, Julie Macy, Emily Trantum, Linda Serrantonio and Lana Metayer	09/19/18 and 01/10/19
SPA Seminar: Essential Regulatory Compliance in Sponsored Project Administration	POL018	Marcy Whittle and Sonya Stern	09/27/18
SPA Seminar: PeopleSoft Tools and Best Practices for Financial Management of Sponsored Projects	CPT075	Linda Serrantonio and Lana Metayer	10/10/2018 and 04/17/2019
SPA Seminar: Preparation, Review and Submission of Sponsored Project Proposals	POL019	Julie Macy	10/23/2018
SPA Seminar: Award Acceptance for Sponsored Agreements. Establishment of Advance Accounts.	POL020	Emily Trantum	11/13/2018
SPA Seminar: Outgoing Subawards	POL010	Molly Epstein and Linda Serrantonio	12/11/2018
SPA Seminar: Cost Transfers on Sponsored Projects	POL021	Linda Serrantonio and Dawn Caffrey	02/13/2019
SPA Seminar: Cost Sharing on Sponsored Projects	POL022	Julie Macy and Linda Serrantonio	03/19/2019
SPA Seminar: Carrying Forward of Funds From One Year to Another and No Cost Extensions on Sponsored Projects	POL023	Linda Serrantonio and Julie Macy	04/10/2019
SPA Seminar: Sponsored Project Financial Reporting and Closeout	POL024	Linda Serrantonio	05/09/2019
The History of IRB, IACUC and IBC Intuitional Review Boards		Melanie Rocher	02/14/2019
Export Control Regulation in the Context of Sponsored Research		Victoria Jones	TBD
Financial Conflict of Interest on Sponsored Research		Victoria Jones	TBD



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# Agenda

- Welcome and introductions
- Cost Share Definitions/Types
- When to Cost Share on a Proposal
- What Costs are Allowable/Not Allowable
- Roles & Responsibilities
- Educational resources available

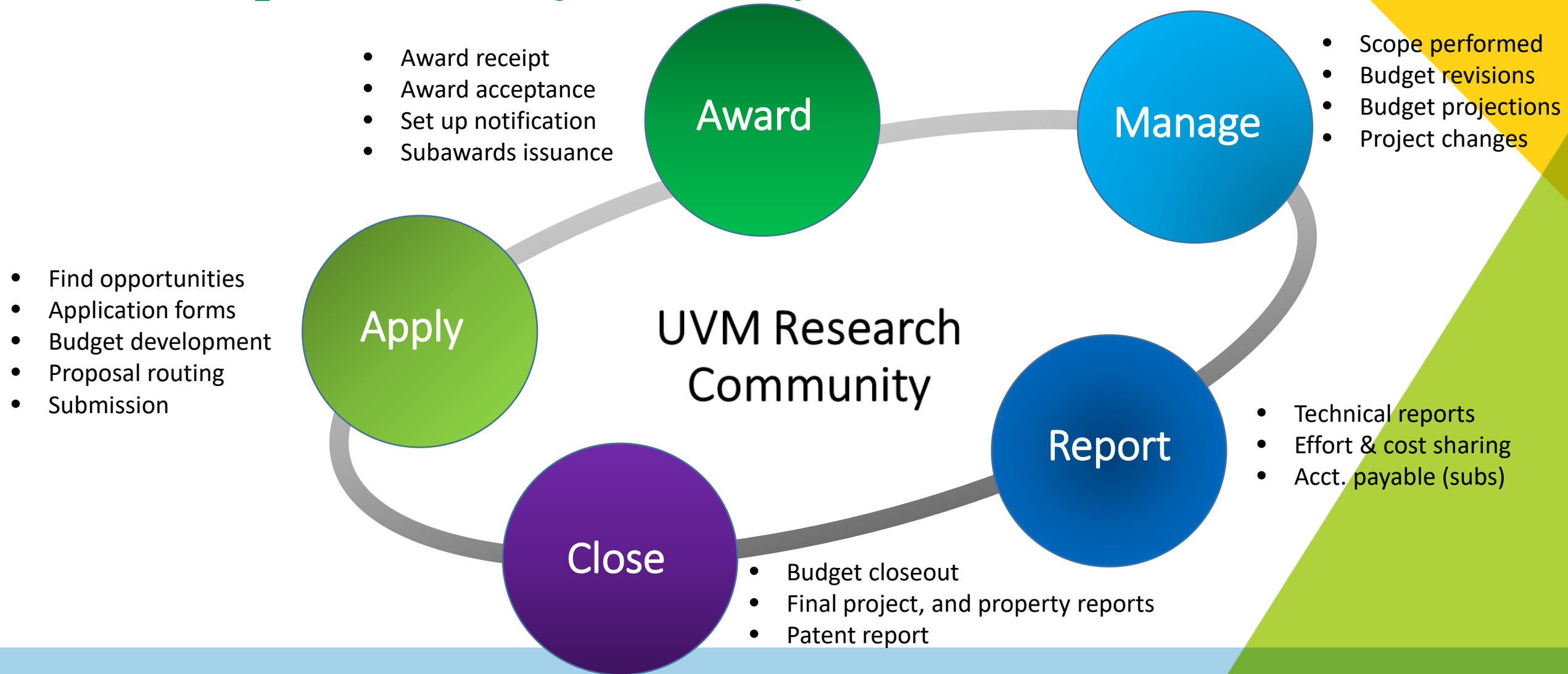
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# Purpose of the Presentation

- Understand what cost sharing is, the roles and responsibilities around cost sharing during the sponsored project life cycle, when is it appropriate in a proposal, what's allowable/unallowable, kinds of cost share, and roles and responsibilities around cost sharing on a sponsored project .
- Overall Objectives: Overview of cost sharing on a sponsored project.
  - Learn definitions
  - roles and responsibilities during the sponsored project life cycle
  - Learn some helpful tips

# UVM Sponsored Project Life Cycle



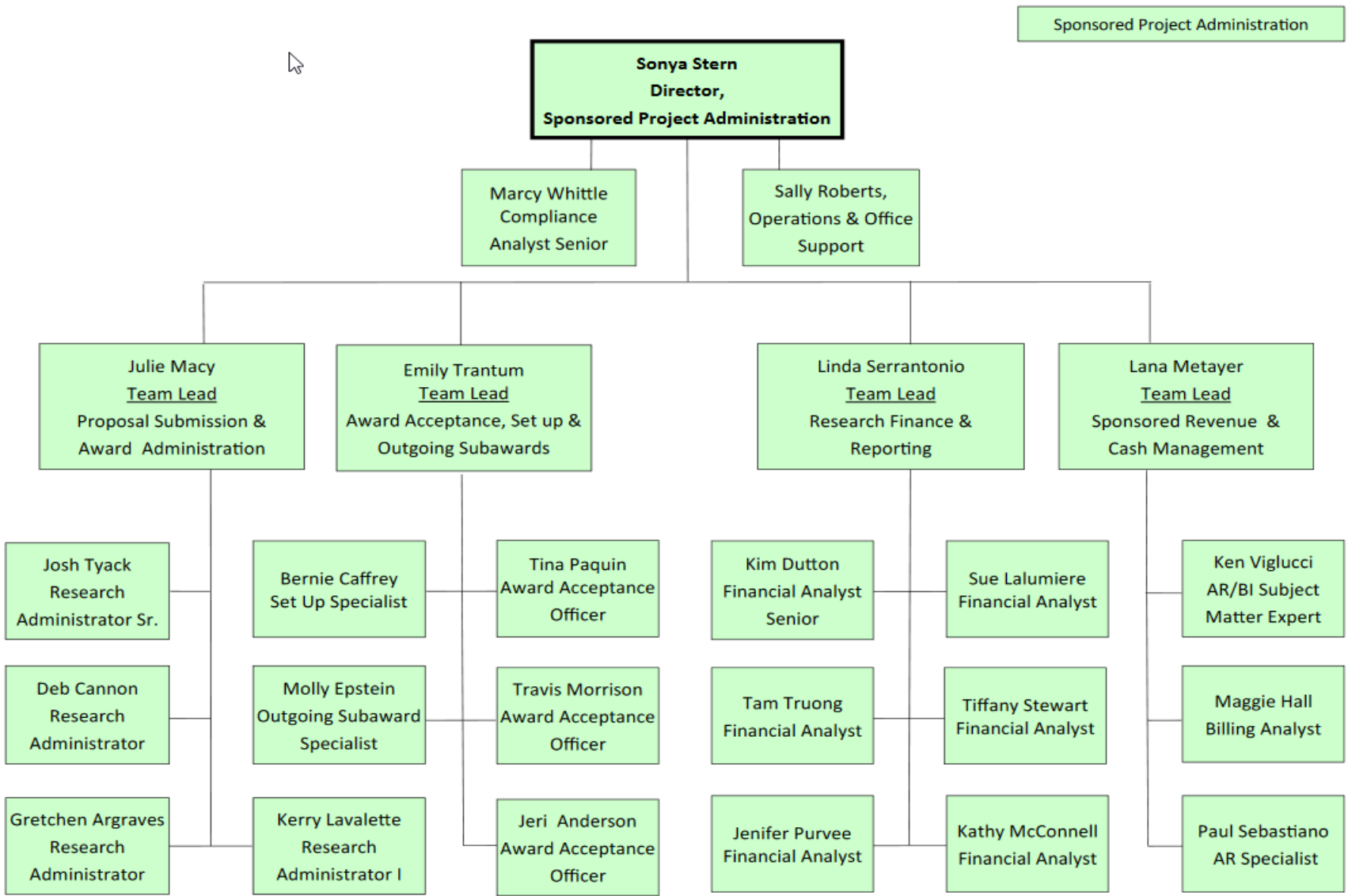
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# UVM Research Community

- **300+** Active Principal Investigators (PIs)
- **100+** Departments with Sponsored Projects from **300+** Sponsors
- **\$130M+** annual volume of awards on **700+/-** award actions
- **300+** subawards issued annually
- Office of Vice President for Research
- Many supporting departments

# UVM Sponsored Project Administration Organization



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# What is Cost Sharing?

- Cost sharing or matching means the portion of project costs not borne by the awarding agency or sponsor.
- Adapted from definition of federal cost sharing in [§200.29](#) of OMB Uniform Guidance ([2 CFR Part 200](#)): “Cost sharing or matching means the portion of project costs not paid by Federal funds....”



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# What is Not Cost Sharing?

- UVM's commitment to pay salaries at the institutional base rate regardless of sponsor limitations (i.e. NIH or other types of salary cap).
- Unrecovered F&A (when not approved by sponsor as part of the cost share commitment).

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# Should We or Should We Not?

- When **to** cost share: When required/mandatory in funding opportunity announcements/solicitations.
- When **not to** cost share: In most cases you should not voluntarily commit cost share in the proposal. Cost share is a true costs to the institution – someone pays.

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# Three Types of Cost Sharing :

- Mandatory
- Voluntary Committed
- Voluntary Uncommitted

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# Types of Cost Sharing :

## Mandatory:

- Required by sponsor as condition for application.
- Accounted for in proposal as percentage or stated amount.
- Includes restrictions on specified items or activities and types of costs.
- Tracked and reportable at time of award.
- Changes need sponsor approval.

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# Types of Cost Sharing Cont. :

## Voluntary Committed:

- Consistent with UG ([2 CFR 200.99](#)), specifically pledged on a voluntary basis in the proposals.
- Commitments usually found in budget and budget narrative.
- Not accepted in Federal Research Proposals.
- Not a factor during Merit Review ([2 CFR 200.306](#)) unless specified in Notice of Funding Opportunity.

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# Types of Cost Sharing Cont. :

## Voluntary Uncommitted:

- May be provided after grant is awarded, not outlined in proposal.
- No obligation or binding agreement with sponsor.
- No reporting or commitment to be met.

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# UVM's Cost Sharing Expectation

- Mandatory cost sharing **only**.
- Caveat: Allows voluntary committed cost sharing where academic unit has determined contribution is necessary to ensure a competitive proposal.

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# Cost Sharing at Time of Award

- Mandatory and voluntary cost sharing included in a proposal are binding commitments of the University when an award is made.
- If proposal is funded, both of these types of cost sharing must be recorded, tracked against the project and reported.  
  
(must be accounted for in the institutions records/PeopleSoft.)



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# Cost Sharing Criteria

What Costs Are Allowable?

- Reasonable & allocable
- Necessary and reasonable for performance of award
- Allowable under [Subpart E – Cost Principles](#)
- Treated consistently across funding sources
- Verifiable from grantee's records
- Per award terms and conditions
- Per Institutional policies and procedure

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# Cost Sharing Criteria Cont.

## What Costs Are Unallowable?

- Amounts used as cost sharing on another project.
- Other federal award expenditures unless allowed by statute.
- Other non-federal sponsors unless approved by that agency.
- Administrative and clerical costs, unless allowed as direct costs on sponsor share.
- Any costs that would otherwise be considered unallowably charged to the award can not then be considered cost share unless specified in NOA.

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# What can be Cost Shared?

- Cash Matching (GL) - Hard dollars or funds specifically appropriate for and allocated to the project, example: gift accounts.
- Contributed Effort (GL) – Faculty and Staff effort funded by non-sponsor sources and documented in PeopleSoft to the project.
- In-Kind Matching (Non-GL) – Third-party contribution or donated/volunteer services. Requires PI to obtain documentation from the third-party.
- Unrecovered Indirect Cost (Non-GL) –If the solicitation doesn't address ability to use unrecovered indirect costs, then sponsor approval is required. Must be provided for in the approved budget with submitted proposal to the sponsor.

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# Let's Review the Process, Roles and Responsibilities throughout the Grant Life Cycle

- Proposal
- Award Acceptance and Setup
- Award Management and Closeout

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## Time of Proposal, the Process:

- Cost sharing is limited to mandatory. Voluntary committed is allowed if academic unit determines that contribution ensures competitiveness.
- When mandatory, a copy or web link to the funding opportunity, regulations or guidelines must be submitted to SPA when developing budget.

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## Time of Proposal, the Process Cont.:

- When cost share is not mandatory or necessary for competitiveness, PIs and Dept. should reframe from making such commitments voluntarily.
- In all situations, the use of cost share should be kept to reasonable level, there is burden that cost sharing places on institution and dept. resources for tracking and reporting.

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# Time of Proposal, Roles and Responsibilities

## Principal Investigator (PI):

- Works with SPA Research Administrator (RA) to define types of cost sharing, whether mandatory or voluntary in proposal.
- Works with Dept. Chair, Dean or other individuals making financial commitments to obtain approval of funds used for cost share and obtains approval documentation for proposal as required in solicitation.
- Prepares and submits proposal budget and justification, including cost sharing to SPA RA in the UVM internal routing.

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# Time of Proposal, Roles and Responsibilities, Cont.

SPA Research Administrator (RA)

- Review sponsor guidelines for any required cost share and ensures cost sharing in compliance with proposal guidelines/solicitation.
- Confirms and verifies cost share in the proposal with PI.
- Confirms cost share in the SPA Budget.



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# Examples at time of Proposal

Language from RFA **Not** Requiring Cost Share – Example R01 - NIH PA-19-056

## 2. Cost Sharing

This FOA does not require cost sharing as defined in the [NIH Grants Policy Statement](https://grants.nih.gov/grants/guide/url_redirect.htm?id=11126).  
([//grants.nih.gov/grants/guide/url\\_redirect.htm?id=11126](https://grants.nih.gov/grants/guide/url_redirect.htm?id=11126))

NSF Example (language taken from PAPPG)

### **“Voluntary Committed and Uncommitted Cost Sharing**

Unless required by NSF (see the section on Mandatory Cost Sharing below), inclusion of voluntary committed cost sharing is prohibited and Line M on the proposal budget will not be available for use by the proposer.”

### **“Mandatory Cost Sharing**

Mandatory cost sharing will only be required for NSF programs when explicitly authorized by the NSF Director, the NSB, or legislation.....”

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# Examples at time of Proposal

Language from RFA Requiring Cost Share: VT Specialty Crop Block Grant Program

## Matching Funds

All proposals must show matching funds representing at least 50% of the SCBGP grant request. For instance, for a grant request of \$10,000, the applicant must demonstrate at least \$5,000 in match. Matching funds may be contributed by the applicant or by another organization. The 50% required match may be a combination of cash and in-kind funds.

**Examples of cash match** include funds in the bank, funds contributed by another organization, applicant labor, and compensation of employees. Labor rates should be in line with current market rates. **Examples of in-kind match** include goods or services provided during the grant period for which no expenditure is made (e.g., contractors, consultants, supplies or equipment provided pro bono for the project, volunteer labor, and/or donated supplies that are not part of the normal cost of doing business). In-kind contributions must be made during the grant agreement period and be directly related to the project.

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# Examples at time of Proposal

Language from RFA Requiring Cost Share: VT Specialty Crop Block Grant Program

Indirect costs (also known as “facilities and administrative costs”) are costs incurred for common or joint objectives that cannot be identified specifically with a particular project, program, or organizational activity. The salaries of administrative and clerical staff should normally be treated as indirect costs. **The Vermont SCBGP cannot fund indirect costs**, but unrecovered indirect costs may be counted as match.

An applicant may propose cost-sharing or matching contributions as a mechanism to ensure all SCBGP grant funds will solely enhance the competitiveness of eligible specialty crops. If your project may benefit non-specialty crop industries (e.g., grain, livestock, or dairy), you must keep adequate records to identify and document the specific costs or contributions proposed to meet the match or cost-share, the source of funding or contributions, and document how the valuation was determined.

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# Examples at time of Proposal

Language from RFA Requiring Cost Share: VT Specialty Crop Block Grant Program

**The Vermont Specialty Crop Block Grant Program cannot fund indirect costs; however, matching funds may be used to cover indirect costs. The salaries of administrative and clerical staff should typically be treated as indirect costs. However, charging these costs as direct costs may be appropriate where *all* of the following conditions are met:**

- 1) administrative or clerical services are integral to a project or activity;
- 2) individuals involved can be specifically identified with the project or activity;
- 3) such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- 4) the costs are not also recovered as indirect costs.

# Examples at time of Proposal

Language from RFA Requiring Cost Share: VT Specialty Crop Block Grant Program

		Subcontract 3										
		Subcontract 4										
				17,117	8,847	25,963				17,117	8,847	25,963
UVM Rate	53.00%	Sponsor Rate					9,072	4,689	13,761	9,072	4,689	13,761
				17,117	8,847	25,963	9,072	4,689	13,761	26,188	11,536	39,724

50% = \$12,982.

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# Award Acceptance, Roles and Responsibilities

## SPA Award Acceptance Team

- Reviews sponsored agreement and proposals materials for mandatory and voluntary cost share.
- Works with Unit Administrator or PI to obtain cost share chartstrings for entry into PeopleSoft project ledger.
- Checks and updates base salary for PI, Co-PI, and other Key Personnel to ensure an individual's salary is not over the sponsor's salary limitation.

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# Award Acceptance, Roles and Responsibilities

## Cont.

### Unit Administrator (UA)

- Provides SPA Award Acceptance with chartstrings for setup in project ledger within PS.
- Confirms the budget worksheet accurately reflects the committed cost share as proposed and awarded.
- After Award is setup UA ensures the chartstrings are correctly setup and funded in the operating ledger within PS.

(Note: The chartstrings that are added into the project ledger by SPA, need to have corresponding chartstrings and funding added to the operating ledger.)

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# Award Acceptance, Roles and Responsibilities Cont.

## 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 are not tracked in PS. 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.



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# Award Acceptance, Roles and Responsibilities

## Cont.

### SPA Financial Analyst (FA)

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

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# Your Award is Set Up, Now What?

Notice of award and award set up indicate cost share is required.

- Use chartstring setup in PeopleSoft to note which expenses are cost shared.
- Option to request an Award Kickoff meeting with SPA to discuss managing cost share commitments.
  - [Award Kickoff Meeting Information](#)

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# Your Award is Set Up, Now What? Cont.

Sub award agreements (In-Kind Match) include all cost sharing for commitments in proposal.

- The amount of cost sharing being provided.
- Assure that the cost share commitment is in the UVM outgoing subaward agreement.
- Name, rate of pay, and effort amounts for each individual who will contribute effort.
- Sub awardee will be responsible for maintaining the documentation of costs for audit.
- Ultimate responsibility for cost sharing is the **prime recipient**.

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# Award Acceptance Management and Closeout, Best Practices

- Upon initial award receipt, review award document, budget and all terms & conditions for specific cost share requirements.
- Use the PeopleSoft Cost Share Summary Report to continually monitor all cost share recorded in PeopleSoft project ledger.
  - Navigation: UVM Reports > Cost Share Summary
  - This report should be run and reviewed by the Unit Administrator/PI at least quarterly to pro-actively manage cost share commitments.
  - This report shows budget versus actuals and can be run by Operating Unit, Department, Project/Award, and PI.

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# Award Acceptance Management and Closeout, Best Practices

- Monitor all third-party cost share requirements quarterly and forward all documentation to your SPA FA.
- Contact your [SPA FA](#) immediately if you suspect you will not be able to meet your cost share commitment.

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# Award Acceptance Management and Closeout, Roles and Responsibilities

## Principal Investigator

- Once the cost share commitment has been set up in PS, Ultimate responsibility to ensure cost share requirements are met as proposed/awarded. The award cannot be closed out until all cost share has been met and documented in the system.

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# Award Acceptance Management and Closeout, Roles and Responsibilities

## 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.
- Works with PI to obtain documentation for any third-party cost share and forwards to SPA FA.
- Communicates with SPA RA and SPA FA for a significant reduction or changes in cost share commitments. (Note: not meeting cost share commitments could impact sponsor funded amounts, every effort should be made to meet all cost share commitments as proposed and awarded.)
- Coordinates with PI on any cost share issues as needed.

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# Award Acceptance Management and Closeout, Roles and Responsibilities

## SPA Financial Analyst (Award Management)

- During report preparation reviews actual cost share expenses posted in the project ledger against award agreement and notifies the UA if issues or discrepancies are found or if the cost share commitments are not being met.
- Reviews and prepares interim financial reports and invoices, including cost share when applicable.
- 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 sponsor if required.



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# Award Acceptance Management and Closeout, Roles and Responsibilities

## SPA Financial Analyst (Closeout)

- Confirms cost share requirements to ensure they were met as proposed and awarded.
- Completes and submits a financial report to sponsor that includes all cost share requirements/commitments.

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# Cost Sharing FAQ

Q: What is salary cap and is it considered mandatory or voluntary cost share?

A: Salary cap is the portion of a faculty or staff member's salary and associated fringe benefit that exceeds the regulatory maximum imposed by the sponsor.

- 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.

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# Cost Sharing FAQ

Q: What happens if there is a change in the amount of cost share after the award setup?

A: If there is a change in the amount of either mandatory or voluntary committed cost share a revised cost share addendum is required in most cases.

- UA will need to communicate the change to SPA RA and SPA FA.
- A request for approval will need to be submitted to awarding agency.
- Cost sharing reduction cannot be approved without a reduction in overall award. We may need to refund the sponsor or the department would have to explain how they are planning to secure additional cost share to finish the project.

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## Cost Sharing FAQ

Q: Can I include costs incurred outside of the proposed project start and end dates as cost-sharing?

A: No, expenses must be incurred during the project start and end dates, including any cost sharing. Do not include expenses that will be incurred outside of these dates as cost-share.

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# Cost Sharing FAQ

Q: Can other federal grant funds be used as a source of cost sharing on a federal grant?

A: No, federal dollars cannot be used to cost share on a federal grant proposal, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs. Also note that federal funds that “pass-through” another state agency are still considered federal funds and cannot be used for cost share.

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# Cost Sharing FAQ

Q: What are the potential consequence of not meeting cost share commitments?

- Sponsor may not accept invoices if cost share isn't reflected on it.
- Sponsor may consider UVM in default of the award if our cost share commitment isn't met and could terminate the award.
- If a third-party cost share commitment isn't provided, UVM cost share commitment could increase accordingly.
- Sponsor may disallow a prorated portion of UVM allowable expenses.
- Future funding for Sponsor could be at risk to the whole University.
- Contact SPA immediately if you think you won't meet your cost share commitment.

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# Resources for Answering Questions

- Sponsor Guidelines
- SPA Cost Share Procedure: [https://www.uvm.edu/uvmweb/sponsored\\_programs/spa-procedures](https://www.uvm.edu/uvmweb/sponsored_programs/spa-procedures)
- Uniform Guidance: [2 CFR 200.306](#)
- Uniform Guidance: [2 CFR 200.29](#)
- Uniform Guidance: [2 CFR 200.99](#)
- NSF Cost Sharing: [https://www.nsf.gov/pubs/policydocs/pappg19\\_1/pappg\\_2.jsp#IIC2gxii](https://www.nsf.gov/pubs/policydocs/pappg19_1/pappg_2.jsp#IIC2gxii)
- Uniform Guidance: [Subpart E - Cost Principles](#)

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# Educational Resources Available - NCURA

**The National Council of University Research Administrators (NCURA)** strives to make advances in the field of research administration through professional development, the sharing of knowledge, and by fostering a sense of community via multiple venues:

<https://onlinelearning.ncura.edu/> Tutorials, on-line publications, magazine, industry news are available to NCURA members

<http://www.ncura.edu/travelingworkshops/Home.aspx> These workshops are taught by experienced leaders in the areas of compliance, department research administration, global research management, post-award administration and pre-award administration; the expertise depends on the workshop.

<https://onlinelearning.ncura.edu/free-resources> Education available to the public at no cost, NCURA membership is not required



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# Educational Resources Available - RACC

**Research Administrators Certification Council (RACC)** is an independent non-profit organization composed of active certified research administrators whose role is to certify that an individual, through experience and testing, has the fundamental knowledge necessary to be a professional research or sponsored programs administrator.

<http://www.cra-cert.org/>

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# Educational Resources Available – Federal

**Federal Demonstration Partnership (FDP)** is a cooperative initiative among 10 federal agencies and 154 institutional recipients of federal funds and is a program convened by the Government-University-Industry Research Roundtable of the National Academies. Its purpose is to reduce the administrative burdens associated with research grants and contracts. Many institutions utilize FDP's templates, including one for outgoing subawards <http://thefdp.org/default/subaward-forms/>

**National Institute of Health** publishes YouTube videos which cover all sorts of information relevant to NIH grants <https://www.youtube.com/user/nihgrants>

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# Educational Resources Available - Other

Some universities have developed educational videos on various aspects of sponsored research administration, which they make accessible to the public. **Vanderbilt University** offers a “Getting Started in Sponsored Research” series of webinars at no cost. <http://www.vanderbiltlinkages.org/gssr-1/>