

# Cost Sharing on Sponsored Projects

Presented by

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The University of Vermont



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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
- Monitoring & Reporting



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# Purpose of the Presentation

## Objectives: Cost Sharing on Sponsored Projects

- Understand what cost sharing is and the different types of cost share.
- Learn when cost share is appropriate in a proposal
- Learn what types of cost share expenses are allowable/unallowable
- Review roles and responsibilities during sponsored project life cycle
- Learn how to monitor and report cost share

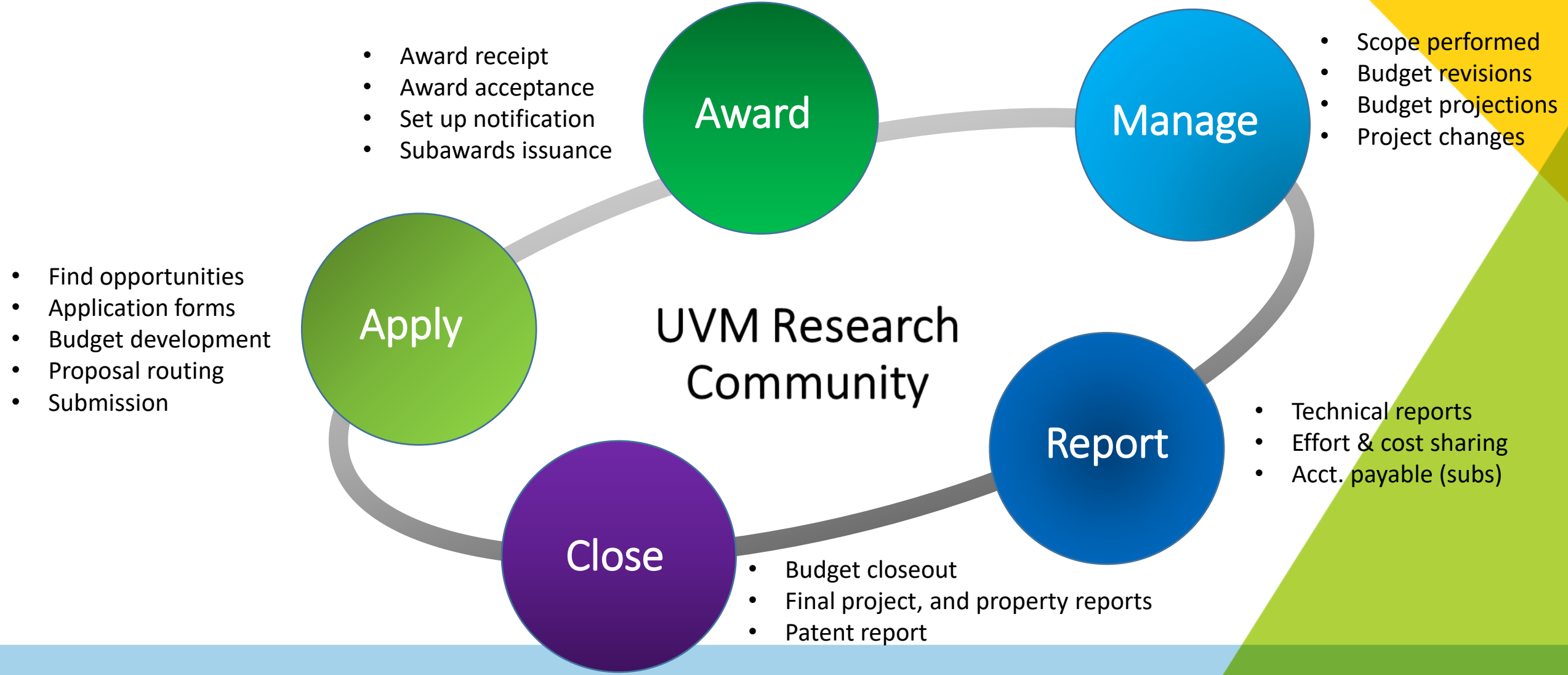


# SPA EDU Offerings

Topic	Course	Date	Time
<a href="#"><u>UVMClick New Proposal Creation and Completion of Funding Proposal Smartforms</u></a>	POL036	Sept 21, 2022	9:00AM-10:30AM
<a href="#"><u>Introduction to Sponsored Project Administration</u></a>	POL012	Oct 4, 2022	1:00PM-2:30PM
<a href="#"><u>Budget Building for Proposal Development</u></a>	POL034	Oct 14, 2022	2:00PM-3:30PM
<a href="#"><u>Reviewing and Understanding Sponsored Agreements</u></a>	POL039	Nov 9, 2022	10:00AM-11:30AM
<a href="#"><u>Cost Transfers on Sponsored Projects</u></a>	POL021	Nov 16, 2022	1:00PM-2:30PM
 <a href="#"><u>Cost Sharing on Sponsored Projects</u></a>	POL022	Jan 18, 2023	9:00AM-10:30AM
<a href="#"><u>Personnel Effort on Sponsored Projects</u></a>	POL042	Feb 14, 2023	9:00AM-10:30AM
<a href="#"><u>Award Acceptance for Sponsored Agreements &amp; Establishment of Advance Accounts</u></a>	POL020	March 28, 2023	9:30AM-11:00AM
<a href="#"><u>Proposal Submission to National Science Foundation</u></a>	POL043	April 19, 2023	9:00AM-10:30AM
<a href="#"><u>Sponsored Project Financial Reporting and Closeout</u></a>	POL024	April 27, 2023	1:30PM-3:00PM
<a href="#"><u>SPA &amp; Outgoing Sub-Awards</u></a>	POL010	May 10, 2023	9:00AM-10:30AM
<a href="#"><u>Proposal Submission to NIH in UVMClick</u></a>	POL038	May 24, 2023	9:00AM-10:30AM
<a href="#"><u>SPA Post Award Budget Review, Expense Monitoring &amp; Forecasting</u></a>	POL041	May 31, 2023	1:30PM-3:00PM



# 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
- **\$200M+** annual volume of awards on **700+/-** award actions
- **300+** subawards issued annually
- Office of Vice President for Research
- Many supporting departments (see next slides)

# UVM Units That Support Sponsored Projects Indirectly

## Purchasing

- Purchase Orders and Requisitions

## • Disbursement Center

- Check requests and purcards
- Travel advances and reimbursements

## • University Financial and Cost Accounting Services

- Effort Reporting
- Space and Equipment Inventory
- Indirect and Fringe Rate Negotiations

## • Human Resources

- Personnel Actions and Position Management

## • Payroll Services

- Payroll-related Actions

## • Graduate College

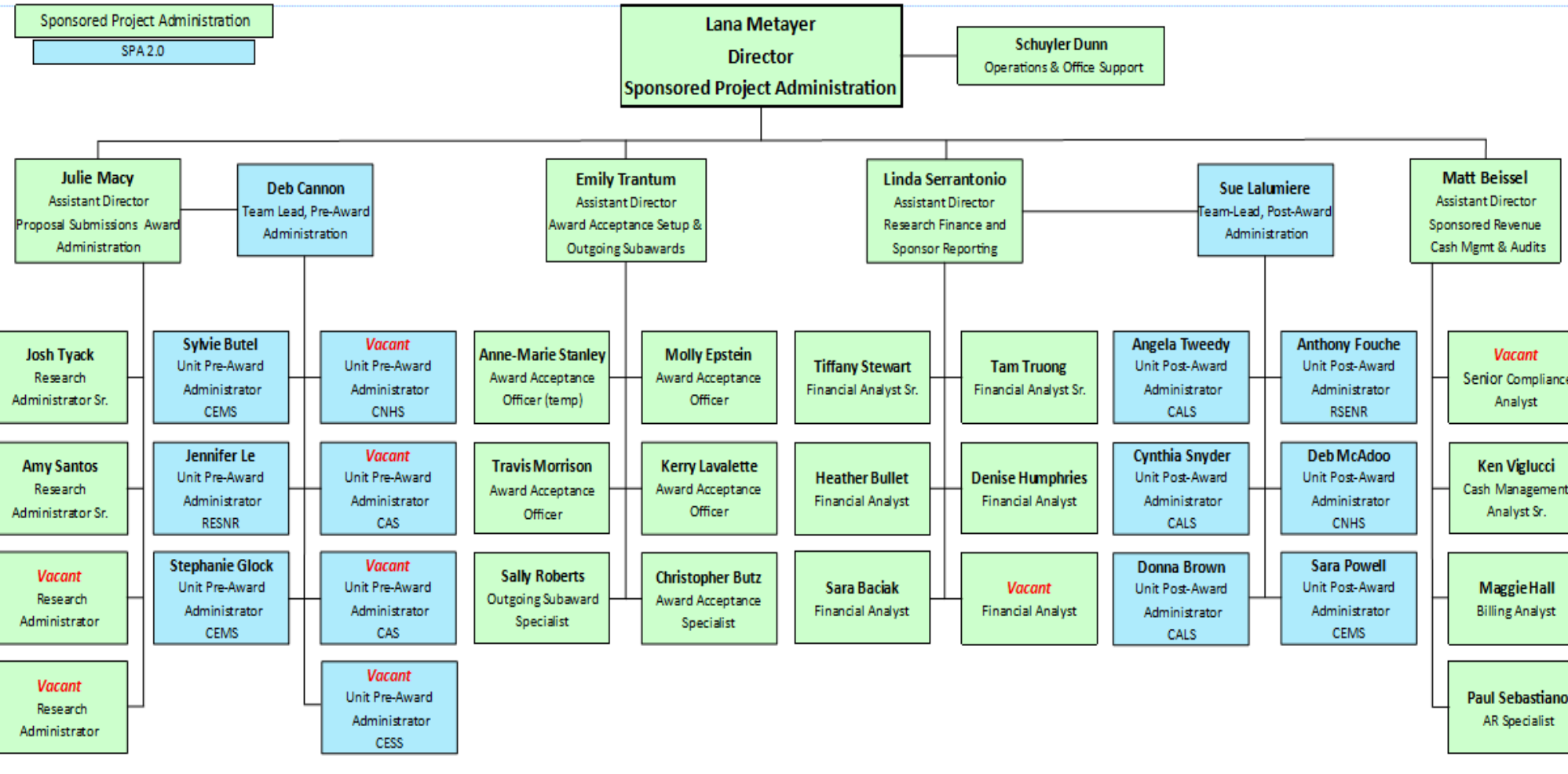
- Graduate Research Assistants
- Tuition on Sponsored Projects

## • Enterprise Application Services

- PI Portal



# UVM Sponsored Project Administration Organization







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# What is Cost Sharing?

- Cost sharing or matching means the portion of allowable project costs not borne by the awarding agency or sponsor.
- Defined in OMB Uniform Guidance ([2 CFR Part 200](#)): “Cost sharing or matching means the portion of project costs not paid by Federal funds or contributions (unless otherwise authorized by Federal statute).”
- Detailed in [§200.306](#)
- Clearly included in proposal or award



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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)
- 1% Salary & fringe for PI needed to adhere to UVM policy (when not committed in a quantifiable way to the sponsor)
- Unrecovered F&A (when not approved by sponsor as part of the cost share commitment)
- Resources included in a proposal without an explicit cost or matching 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
- Voluntary cost share adds administrative burden and is rarely something that can be used to make a proposal more competitive



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# Three Types of Cost Sharing :

- Mandatory
- Voluntary Committed
- Voluntary Uncommitted



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# Types of Cost Sharing :

## Mandatory:

- Detailed in [§200.306 \(b\)](#):
  - Required by sponsor as condition for application
  - Accounted for in proposal as percentage or stated amount
  - Are allowable; may includes restrictions on specified items or activities and types of costs
  - Included in the approved budget
  - Tracked and reportable at time of award
  - Changes need sponsor approval



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# Types of Cost Sharing Cont. :

## Voluntary Committed:

- Defined in OMB Uniform Guidance ([2 CFR Part 200](#)): *Voluntary committed cost sharing* means cost sharing specifically pledged on a voluntary basis in the proposal's budget on the part of the non-Federal entity and that becomes a binding requirement of Federal award.
- Detailed in [§200.306 \(a\)](#):
  - Not expected under Federal Research Proposals
  - Not a factor during Merit Review unless explicitly described in Notice of Funding Opportunity
- Commitments usually found in budget and budget narrative
- Are not allowed in NSF proposals



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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

Effort commitments made with voluntary uncommitted cost share



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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 committed cost sharing included in a proposal are binding commitments of the University when an award is made.
- If proposal is funded, both mandatory and voluntary committed 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.
- Administrative and clerical costs to cost share, unless allowed as direct costs on sponsor share.
- Any costs that would otherwise be considered unallowably charged to the award cannot then be considered cost share unless specified in NOA.

## Unallowable Sources

- Other federal award expenditures unless allowed by statute.
- Non-federal sponsored funds unless approved by both sponsors and SPA.
- Other restricted funds



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# What can be Cost Shared?

- Contributed Effort (GL) – Faculty and Staff effort funded by non-sponsor sources and documented in PeopleSoft to the project. *(Normally also considered cash match)*
- Other Direct Costs (GL)—Allowable operating costs paid from an allowable cost share source
- In-Kind Matching (Non-GL) – Third-party contribution or donated/volunteer services. Requires PI to obtain documentation from the third-party.
- Indirect costs generated by cost shared direct costs—Generally allowed if indirect costs are allowed, should be explicitly included in budget submitted to sponsor
- 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 of the funding opportunity, regulations or guidelines must be uploaded into UVMClick Budget SmartForms.



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## Time of Proposal, the Process Cont.:

- When cost share is not mandatory or necessary for competitiveness, PIs and Dept. should refrain 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) and/or Department Administrator:

- 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 the proposal budget and justification, including the cost share, and submits it for review through the standard UVMClick workflow process.





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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 the committed cost share meets the sponsor's guidelines.



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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.



# 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.

# UVMClick Cost Share Information SmartForm

Draft

BU00003251 Project Budget

## Next Steps


Edit Budget

Printer Version

View Differences

Create Subaward

Create Cost Share

 Make A Copy

 Log General Comments

 Export Budget

## Cost Share Information

### *Cost Share Guidance*

#### 1. \* Cost Share Type included in Proposal:

- Mandatory
- Voluntary Committed
- Mandatory and Voluntary Committed
- None
- [Clear](#)

#### 2. \* Internal Commitment(s):

- Minimum PI Time Commitment (1% rule)
- Over the Salary Cap
- None

# UVMClick Cost Share Information SmartForm Cont.

## Cost Share Information

### Cost Share Guidance

1. \* **Cost Share Type** included in Proposal:

- Mandatory  
 Voluntary Committed  
 Mandatory and Voluntary Committed  
 None  
[Clear](#)

2. \* **Is all Mandatory and/or Voluntary Committed Cost Share** coming solely from the submitting department?

- Yes  No [Clear](#)

3. \* **For Mandatory or Voluntary Committed Cost Share**, upload the [Cost Share Approval Request Form](#) for each department providing cost share:

+ Add

There are no items to display

4. \* **Will you be using unrecovered F&A to meet Mandatory Cost Share?**

- Yes  No [Clear](#)

5. \* **Upload the [Unrecovered F&A Calculator Tool](#):**

[None] [Upload](#)

6. \* **Will you be using Third Party Cost Share as part of Mandatory Committed and/or Voluntary Committed Cost Share?**

- Yes  No [Clear](#)

7. \* **Do you have a Third Party commitment letter(s)?**

- Yes  No [Clear](#)



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# What is NOT Cost Sharing at Time of Proposal?

It is possible to describe the resources that will be utilized to complete the project without incurring a committed cost share

- “Facilities & Other Resources” document for most federal sponsors
- “Leveraged Funds”
- Description of these resources cannot include explicit commitments of effort or dollar values or refer to it as a cost share or match





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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.
- 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, FA will assist in reporting waived F&A that was allowed and part of the proposal.)
- Sends out award setup notifications



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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 PeopleSoft.
- Enters cost share rebudgets in the project ledger within PeopleSoft 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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# Award 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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# 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**.

# Award Management and Closeout, Best Practice

- Monitor cost share budgets and track expenses using PeopleSoft PI Portal

## Project Summary

Project Summary | Payroll Information | Transaction Detail | Financial Documents

### Project Summary

PS Project 036881  
 Project Mgr Cole, Bernard F.  
 PM Home Dept Mathematics & Statistics  
 College CEMS  
 Status ACTIVE Cost Share? Y  
 Start Date 10/01/2019 End Date 09/30/2022  
 Includes 90 Day Pre-award spending:

PS Award 000033451  
 Award PI Cole, Bernard F.  
 Award Title VT NASA EPSCoR Research Infrastructure Development (RID)  
 Award Dept CEM Dean's Ofc  
 Sponsor National Aeronautics & Space Admin/NASA  
 Sponsor Award ID 80NSSC19M0067

Sponsored Total Direct Remaining 164,969.00

Search  
 Sponsored Budget/Expenses  Cost-Share

Prime Sponsor  
 Prime Award ID  
 F+A Rate (%) 56.00  
 F+A Base Modified Total Direct Cost  
 Contract Type Cost Reimbursement  
 Award Purpose RESEARCH - Basic  
[Go to Search Page](#)

Budget Summary / Chartstrings | Download Results to Excel | First 1-9 of 9 Last

Account	Account Description	Budget	Open Encumbrances (Thru 6/30)	Expenditures	Remaining Amount	Operating Unit	Department	Fund	Source	Function	Project	Program	Purpose	Property
1 F5000	Personnel Salary	12737.00	1868.65	15442.39	-4574.04	14	54000	100	100005	312	036881	0000	0000	0000
2 F5990	Fringe Benefits	5891.00	882.00	7175.66	-2166.66	14	54000	100	100005	312	036881	0000	0000	0000
3 F8000	Other Expenses and Services					01	30010	100	100005	312	036881	0000	0000	0000
4 F6000	Other Expenses and Services	31652.69			31652.69	14	54000	100	100005	312	036881	0000	0000	0000
5 F6000	Other Expenses and Services	29089.00			29089.00	14	54000	100	100005	312	036881	0000	0824	0000
6 F8000	Other Expenses and Services	30000.00			30000.00	01	30010	100	100027	312	036881	0328	0000	0000
7 F8000	Other Expenses and Services	5000.00			5000.00	01	30800	100	100005	312	036881	0000	0000	0000
8 F8050	Domestic Travel	6000.00			6000.00	14	54000	100	100005	312	036881	0000	0000	0000
9	TOTAL	120369.69	2750.65	22618.05	95000.99						036881			





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## Award Management and Closeout, Best Practice Cont.

- 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 Management and Closeout, Roles and Responsibilities

## Principal Investigator

- Once the cost share commitment has been set up in PeopleSoft, 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 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 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 re-budgeting.
- Coordinates with SPA RA and UA to submit the prior approval to sponsor if required.



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# Award 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](https://www.fda.gov/oc/ohrt/2-cfr-200.306)
- 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](https://www.fda.gov/oc/ohrt/subpart-e-cost-principles)



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**Thank you for attending!**