

## Cost Sharing Procedures

### I. PURPOSE:

To Provide guidance regarding allowable cost sharing, including the kinds of services, expenditures, or assets that may be used for cost sharing. Establish procedures which enable the University of Colorado Colorado Springs to provide information to sponsoring agencies demonstrating the university's fulfillment of cost sharing commitments made as a condition of accepting a sponsored project. Provide guidance on approvals that must be obtained when committing the university to commit cost share.

It is the responsibility of the principal investigator (PI) for the sponsored award and the originating department to ensure that all cost sharing is identified and documented according to this policy and the requirements of the award. Sponsored Projects Accounting (SPA) will be responsible for reporting to the sponsor as required.

This policy applies to all federal and non-federal sponsored programs which include a commitment by UCCS to support a sponsored project or program with university funds.

### II. DEFINITIONS:

Cost Sharing or Matching: is a portion of the costs of a sponsored project not supported by the sponsor and therefore covered by the university.

In-kind Contributions: represent the value of non-cash contributions provided by the University or non-Federal third parties.

Mandatory Cost Sharing: is cost sharing that is required by a sponsor as a condition for making an award and usually refers to an overall percentage of total costs to be contributed by a source other than the sponsor.

Voluntary Cost Sharing: is cost sharing that is not required by the sponsor but offered by the PI in the proposal budget or budget justification as a commitment to the project.

Third Party Cost sharing: is cost sharing commitments or contributions made by an organization other than UCCS.

### III. PROCEDURES:

#### General:

UCCS discourages committing to cost share when it is not required by the sponsoring organization.

UCCS cost share agreements commit the university to providing the stated services or assets in the performance of the sponsored project, regardless of the source. The effectiveness and expected benefits of each cost sharing agreement should be weighed considering the administrative requirements, responsibilities, and risk to the university.



Approvals required for committing the university to cost sharing include:

- PI
- Dean or Director
- Vice-Chancellor of Student Affairs, Provost, and Executive Vice Chancellor for Academic Affairs (as applicable)
- Vice-Chancellor for Administration and Finance
- Chancellor (required if the cost sharing total is \$10,000 or greater).

Cost sharing is not normally appropriate on projects supported by “for-profit” entities. It is also not normally allowable from other sponsored projects. Cost sharing may be funded by Unrestricted General Funds, Auxiliary, Gift Funds and/or third parties.

Cost sharing must be provided at the required amounts proposed and appropriately tracked through these procedures.

Tracking, reporting, and certifying of cost sharing is subject to audit by internal and external auditors, federal agencies, and the sponsoring agency itself.

Cash balances less than \$10 will be transferred to the Sponsored Projects Write Off ST. Anything greater will need to have transactions posted to ensure cost share obligations are met.

All responsibilities associated with these procedures are to comply with OMB Uniform Guidance.

### **Requirements for Cost Sharing**

If a cost sharing commitment exists, the expenses used for this purpose must be:

- Verifiable by the university (e.g., Personnel Effort Reports, financial system project reports, etc.).
- Used as cost sharing for only one sponsored project.
- Allowable and allocable to the relevant sponsored project.
- Necessary and directly related to the project objectives.
- Provided for in the approved budget when required by the awarding agency.
- Not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing.
- Incurred during the applicable award period of the grant or contract.
- Recorded in a separate project speedtype (ST).

### **Examples of Expenditures That May Not Be Used for Cost Sharing**

Expenditures that cannot be used for cost sharing include the following:

- Expenditures that are normally charged as indirect costs, such as administrative salaries or office supplies.
- Unallowable costs such as alcoholic beverages, entertainment, or any costs disallowed by the sponsor.

### **Examples of Expenditures That May Be Used for Cost Sharing**

Expenditures that may be used for cost sharing include the following:

- Faculty, staff or student salaries and related fringe benefits.
- Laboratory supplies.



- Travel
- F&A, with the appropriate approvals, waivers or reductions of the F&A cost rate or unrecovered F&A on cost shared funds may be used as cost sharing. These must have prior approval of the awarding agency.

### **Office of Sponsored Programs and Research Integrity (OSPRI) Responsibilities:**

OSPRI reviews the program solicitation to confirm cost share is mandatory. If it is mandatory or the PI and their department choose to commit voluntary cost-share, OSPRI discusses implications of cost share with the PI (such as the requirement to fulfill the commitment). OSPRI reviews and approves proposed cost sharing in the proposal budget, ensuring proposed costs are allowable under the program solicitation, if applicable, and cost principles. OSPRI reviews the completed/signed Cost-Share Addendum Routing and Approval form submitted to as part of the proposal routing. OSPRI includes the cost sharing requirement, breakdown of costs and sources of funding on the project set up documents sent to Sponsored Projects Accounting.

### **Sponsored Projects Accounting (SPA) Responsibilities:**

SPA works with the department to ensure the cost sharing is established and monitored correctly.

- Creates the ST to track the cost sharing funds.
  - A fund 22 is created when the university funding source is an auxiliary (fund 20) or general fund (10) ST.
  - A fund 32 is created when the university funding source is a gift fund.
- Enters the budget into the finance system.
- Processes the cash transfer(s) for the fund 22/32 from the 10/20/34/72.
- Creates the BJE's necessary to decrease the budgets within the fund 10/20 STs providing the cost sharing funds.
- Emails the Department/Grant Administrator to ensure they are properly establishing the funding distribution(s).
- Provide the department(s) with a tool to track the cost sharing when appropriate.
- Monitor cost share STs on a quarterly basis to ensure:
  - Funding distribution is accurate/established.
  - Money will be spent by the end of the project.
  - Commitment has been met.
- Reports cost sharing to the sponsor, internal, and external auditors.

### **Principal Investigator/Project Director (PI/PD) Responsibilities:**

Providing resources for cost sharing is the responsibility of the Principal Investigator (PI) and their department.

- Acquire signature approvals of cost sharing commitment from the department(s) committing funds on the Cost-Share Addendum Routing and Approval form at the time the proposal is submitted to the Office Sponsored Programs and Research Integrity (OSPRI) for review, prior to submission to a sponsor.
- Understand that when the PI agrees to cost share, they are committing the university to provide stated services or assets in the performance of the sponsored project.
- Weigh the effectiveness and expected benefits of each cost sharing agreement by considering the administrative requirements and responsibilities inherent for the PI, the Department, and Sponsored Projects Accounting (SPA).
- Review expenditures monthly with their Department/Grant Administrator to ensure spending is accurate and on track.



- Alert SPA if there are any apparent issues, such as possible failure to meet the cost sharing commitment.

**Department Administrator/Grant Administrator Responsibilities:**

UCCS Department Administrators who are charged with assisting PIs with their sponsored projects assist PIs in their monitoring responsibilities.

- Work with PI to provide STs to OSPRI's Cost-Share Addendum Routing and Approval form for cost sharing commitments.
- Establish funding distributions for employee's paid from the cost sharing ST(s) or ensure they are established by the individual(s) responsible.
- Reconciles the cost sharing monthly on the tool provided by SPA (provided when necessary).
- Review expenditures monthly with PI.
  - Budget/Actuals
  - Allowability of expenditures
  - Encumbrances are correct
  - Account codes are correct
  - Correct people are being paid on the cost share ST
  - Everyone that should be paid on the cost share ST is being paid
  - Review for expenditures that should be on the ST and for those that should not be
- Monitors and updates funding distributions throughout the life of the project.
- Ensure cost sharing requirements are being met.
- Alert SPA if there are any apparent issues, such as possible failure to meet the cost sharing commitment.