

Cost Sharing

Cost Share

Guideline Charge

Cost Share

Purpose

The following guideline outlines cost sharing at the University of Texas at Dallas (UTD). It is policy that cost sharing must be identified and tracked in accordance with federal and other sponsor requirements. Cost sharing is that portion of a project or program cost that is not reimbursed by the sponsor (whether Federal or non-Federal) and as such, represents a commitment of institutional resources that would otherwise be devoted to other University purposes. UTD follows the policy as stated in Uniform Guidance sections [200.29](#), [200.99](#), and [200.306](#)

Guideline Statement

Cost Sharing is defined as committed resources that are NOT funded in a research agreement. Common examples include salary costs in excess of the NIH salary cap, as well as committed, but unfunded effort. This cost share is funded by a departmental account. On all grants, no cost sharing commitments may be submitted unless specifically approved by the respective Dean. Cost sharing may be required by the sponsor as a condition of the award. There are three forms of cost sharing:

- ***Mandatory**– May be required by the sponsor as a condition of the award and becomes an obligation once an award is made;
- ***Voluntary Committed**– May be offered by UTD and becomes an obligation once an award is made;
- ***Voluntary Uncommitted**– Faculty effort over and above that level which is committed and budgeted for in a sponsored agreement. It need not be included in the time and effort system and is not separately tracked.

	Specifically identify in Effort Certification?	Lowers F&A recovery?	Must be formally tracked and documented?
Mandatory	Yes	Yes	Yes
Voluntary Committed	Yes	Yes	Yes
Voluntary Uncommitted	No	No	N

Criteria for Cost Sharing

- Verifiable from the recipients' records – must be documented
- Not included as contributions for any other federally-assisted program
- Necessary and allowable under cost principles for accomplishment of the project
- Have not been paid by the federal government under another award
- Cannot use other federal funds to meet cost share commitments
- Provided for in the approved budget

Roles and Responsibilities

Principal Investigator

Responsibilities

1. The PI should confer with the Chair and/or Dean regarding a cost-share strategy to meet the sponsor's requirements
2. Assume overall responsibility for cost sharing compliance of an award
3. Identify source of funds for cost sharing

Research-Office of Sponsored Projects(OSP)

Responsibilities

1. Ensure all cost sharing is documented and accounted for
2. Determine whether proposed cost sharing complies with the requirements of the sponsor guidelines
3. Determine whether cost sharing is mandatory or voluntary
4. Ensure applicable approval (Dean)

Research-Office of Post Award Management(OPM)

Responsibilities

1. Provides guidance and interpretation of cost sharing policies and procedures
2. Reviews award documents to ensure if cost sharing is a requirement
3. Establish cost sharing cost center and post budget
4. Works in alliance with the Budget Office to ensure funds are moved to fund cost sharing cost center

Source of Funds

The PI is responsible for identifying all sources of funds for cost sharing of direct costs. The PI may NOT utilize funds from another federal award as the source of cost sharing, except as authorized by statute.

- The PI may utilize funds from non-federal awards as the source of cost sharing ONLY when specifically allowed by the non-federal sponsor.
- Cost sharing is typically funded by tuition subsidy, gifts, endowment income, operating budgets, or other department designated funds.
- Cost sharing includes the full indirect costs associated with the identified direct costs.

Allowable Costs

Cost sharing expenditures must satisfy all of the following criteria:

- Not previously used as cost sharing for another project (the same cost sharing expenditures cannot be used for multiple projects);
- Necessary and reasonable for proper and efficient accomplishment of the project
- Allowable under the terms of the award (e.g. in compliance with 2 CFR Part 220 (Uniform Guidance))
- Conforms to other provisions of OMB Circular A-110, as applicable
- Incurred during the effective dates of the grant or during the pre-award phase when authorized by the sponsor
- Not paid by the federal government under another award

Faculty and Non-Faculty Effort

- PIs are strongly encouraged to limit explicit commitments of contributed effort (i.e., effort at no cost to the sponsor) in sponsored project proposals, especially in those instances where contributed effort is not required by the sponsor or is not a significant portion of the PI's total effort.
- By limiting contributed effort in this manner, the total amount of University cost sharing commitments, as well subsequent award monitoring and reporting will be minimized. As a result, the compliance risk to the University will be minimized.
- When it is appropriate to contribute faculty effort as a portion of a cost sharing commitment in a proposal, UTD is obligated to that commitment of effort once the proposal is awarded.
- Effort Certification is required for the cost sharing effort, as well as the effort charged to the award.
- It is allowable to expense non-faculty effort to the performance of a sponsored agreement.
- As with faculty effort, the commitment to provide such support binds the University to contribute the effort and record the associated expenditures, including fringe benefits.
- Effort certification is required.
- The total effort for research and other University activities performed by each individual must not exceed 100%.
- Existing commitments must therefore be taken into account when evaluating a proposed commitment of cost sharing, especially when multiple proposals are being submitted.
- Note also that significant decreases (25% or more for grants or an amount specified by the sponsor for contracts) in the effort by key personnel to a project require coordination with and/or advance approval by a federal sponsor; non-federal sponsors may have similar requirements.
- This applies to changes in committed levels of effort to be cost shared on the project, as well as to that which will be charged directly to the project.

Equipment

- Proposals which include the purchase of special-purpose equipment required for the exclusive use of the sponsored project or program may include an offer of University funds to pay for all or part of the cost of such equipment.
- The portion of the purchase price paid by the University must be charged directly to a cost sharing Project Grant in support of the award.
- PIs should not commit the use of existing equipment, whether UTD-owned or government-owned, as cost sharing. This equipment should be characterized as "available for the performance of the sponsored agreement at no direct cost to the project."

Other Direct Costs

The following are examples of other direct costs that may be used as cost sharing:

- Tuition subsidy
- Travel expenses
- Project materials
- Sub-recipient cost sharing

Facilities and Administrative (F&A) Costs

F&A costs, otherwise known as indirect costs, are real costs of conducting sponsored projects or programs. These costs are allocated to all activities at UTD. Consequently, when direct costs are included in a cost sharing arrangement, the associated indirect costs should be included as part of the University cost sharing commitment.

Unallowable Costs

The following expenditures cannot be offered as cost sharing commitments in sponsored project proposals:

- Costs considered unallowable by the University or by the sponsor
- Costs considered unallowable under 2 CFR Part 220 (Uniform Guidance)
- Salary amounts exceeding a regulatory salary cap (e.g., National Institutes of Health);
- University facilities such as laboratory space. PIs should not commit the use of facilities as cost sharing, but rather characterize the facilities as "available for the performance of the sponsored agreement at no direct cost to the project".

Policy Links

[Uniform Guidance 2 CFR 200](#)

[Allowable Cost on federally funded Contracts and Grants](#)

[The University of Texas at Dallas Expenditure Policy \(UTDBP3097\)](#)

[OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards \(Uniform Guidance\)](#)

[OMB 2 CFR Part 220](#)

[The Cost Accounting Standards \(CAS\)](#)

[The Office of Sponsored Projects](#)

Issued: June 2015