Pre- and Post-Award Cost Sharing: An Overview

OSR Quarterly Network
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What is cost sharing?
- Voluntary vs Mandatory
- Voluntary Uncommitted
- Forms of Cost Sharing

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- Pre-Award Cost Sharing
- InfoEd Data
- Institutional Support

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- Tracking In-Kind Commitments
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What is Cost Sharing?
What is cost sharing?

Cost Sharing represents the sponsored project or program costs (direct and indirect) that would normally be borne by the sponsor but instead are covered by the institution or a third party, such as a subcontractor or an unfunded collaborator.

Cost Sharing vs. Cost Matching
### Types Of Cost Sharing

- **Mandatory**
  - **1. BASE COST SHARE REQUIREMENT**
    - ARPA-E generally uses Cooperative Agreements to provide financial and other support to Prime Recipients (see Section II.B.1 of the FOA). Under a Cooperative Agreement or Grant, the Prime Recipient must provide at least 20% of the Total Project Cost as cost share, except as provided in Sections III.B.2 or III.B.3 below.

- **Voluntary Committed**

- **Voluntary Uncommitted**

### Forms of Cost Sharing

- **Cash**
  - Used to fund allowable direct costs

- **Effort**
  - Contribution of time (contractual obligation) to a project

- **Unrecovered F&A**
  - If allowable direct costs are cost shared, indirect costs associated with these direct costs cannot be assessed – but still represent a quantifiable loss

- **Graduate Student Fellowships**

- **Third Party**
  - Provided by entity external to institution
Pre-Award Process
Pre-Award Cost Sharing

• Departments and schools have the ability to cost share at their own discretion

• In limited circumstances requests for institutional support will be considered

• Considerations at proposal stage
  o Evaluating the type of cost sharing
  o Understanding solicitation language
  o Total project costs vs. total sponsor costs
  o Representing cost sharing in the proposal
  o Ensuring all contributions have been confirmed prior to submission
Pre-award Process

InfoEd Data

• Detailed cost sharing information should not be entered into InfoEd budget pages.
• Departments will capture cost share information at proposal stage by:
  1. Answering “yes” to the question regarding cost sharing on the proposal routing form.
  2. Indicating any cost shared effort on the proposal routing form.
  3. Providing cost sharing documentation (including OSR-EZ, internal budget, and/or commitment confirmations as appropriate).
• Exceptions:
  - S2S proposal in which cost sharing must be included on budget pages.
  - Instances where the entire budget is cost shared.
  - Cost shared key personnel effort for non S2S proposals.

In exceptional situations, departments will need to follow FFRA training guides and enter cost sharing details.
Institutional Support

• In situations where a compelling need for cost sharing is demonstrated at a significant scale, process of obtaining Office for Research (OR) support may be followed
• Large-Scale, Interdisciplinary Proposals
  – DoD, DoE, NSF
  – NIH Program Project Grants and Center Grants (P Series)
• Instrumentation Proposals
  – NSF Major Research Instrumentation (MRI)
  – NIH Shared & High-End Instrumentation
• OR does not consider requests for “cap gap” cost sharing
• Managed by Cost Share Officer in Office for Sponsored Research (OSR)
• Updated guidelines for requests for institutional support will be released shortly and put on the OSR website, along with an updated OSR-EZ and other related documents
Post-Award Management
Tracking Cash Commitments

• In InfoEd
  - Non-MTDC budget line added in award detail (labeled either “voluntary” or “mandatory”)
  - Cost share budget item switched from sponsor to institution in the cost share folder
Tracking Cash Commitments

- In NUFinancials
  - Cost share chart string is established using one of the cost share fund codes (191, 192, or 193). Once the chart string is established it can be spent against immediately
Tracking Cash Commitments

- In NUFinancials

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<thead>
<tr>
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<th>Previous Model</th>
<th>Current Model as of FY14</th>
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<td>191</td>
<td>Mandatory (Salary &amp; Non-Salary)</td>
<td>Mandatory (Salary &amp; Non-Salary)</td>
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<tr>
<td></td>
<td>Voluntary Committed (Non-Salary)</td>
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<tr>
<td>192</td>
<td>Voluntary Committed (Salary)</td>
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<td>193</td>
<td>N/A</td>
<td>Voluntary Committed (Salary &amp; Non-Salary)</td>
</tr>
</tbody>
</table>
Tracking In-Kind Commitments

• In InfoEd
  o Non-MTDC budget line added in award detail (labeled either “voluntary” or “mandatory”)

  ![Image of InfoEd interface showing budget line]

  o Cost share budget item switched from sponsor to institution in the cost share folder

  ![Image of InfoEd interface showing cost share budget item]

  o Cost shared effort commitments are entered for senior personnel and marked as cost shared in cost share folder

  ![Image of InfoEd interface showing cost shared effort commitments]
Tracking In-Kind Commitments

• In NUFinancials
  o In-kind commitments are not tracked in NUFinancials; no cost share chart strings are established for in-kind contributions
  o Senior personnel contributed effort tracked in ERS (on the Evanston campus)
Budget Journals and Transfers

• Once the cost share chart string has been established, the data is checked, and budget journals are run
• Budget journals will be run annually for multi-year projects after outyears are appropriated
• Budget journals create a debit on the ledger of contributing units, letting them know what commitments they need to meet each fiscal year
• Transfers should be made annually prior to fiscal year close
• For projects with institutional support notification is sent and the final OSR-EZ is distributed prior to budget journals being run
  o If changes are required in outyears, notification is sent and the updated OSR-EZ is distributed prior to budget journals
Spending

• Effective management of cost share spending is important; remember, when cost sharing is committed the commitments must be met

• Spending on the cost share side should be done in the appropriate proportion to the sponsor side throughout the life of the proposal
Questions?