

Pre- and Post-Award Cost Sharing: An Overview

OSR Quarterly Network
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Northwestern

What is cost sharing?

- Voluntary vs Mandatory
- Voluntary Uncommitted
- Forms of Cost Sharing

Pre-Award Process

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

Post-Award Management

- Tracking Cash Commitments
- Tracking In-Kind Commitments
- Budget Journals and Transfers
- Spending

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 Cost⁶² as cost share, except as provided in Sections III.B.2 or III.B.3 below.⁶³

- Voluntary Committed

2. Cost Sharing

This FOA does not require cost sharing as defined in the [NIH Grants Policy Statement](#).

- 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
 - Evaluating the type of cost sharing
 - Understanding solicitation language
 - Total project costs vs. total sponsor costs
 - Representing cost sharing in the proposal
 - Ensuring all contributions have been confirmed prior to submission

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”)

<i>Non Personnel Costs</i>	
Non-MTDC	Voluntary Cost Share - Cash Jst

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

Non-MTDC Voluntary Cost Share - Cash	70,000.00	0.000 %	Voluntary Commi ▼	100.000 %
		0.00	Cash ▼	70,000.00

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

Budget Amounts for Period								
General								
Fund Code	Department	Activity	Analysis Type	Budget Item	Account	Cost Sharing	Amount	Set Options
193		01	CBU	EQUIP	77500	<input checked="" type="checkbox"/>	25000	Set Options

Tracking Cash Commitments

- In NUFinancials

	Previous Model	Current Model as of FY14
191	Mandatory (Salary & Non-Salary) Voluntary Committed (Non-Salary)	Mandatory (Salary & Non-Salary)
192	Voluntary Committed (Salary) Over-the-Cap	Over-the-Cap
193	N/A	Voluntary Committed (Salary & Non-Salary)

Tracking In-Kind Commitments

- In InfoEd

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

Non-MTDC	Voluntary Cost Share - Cash	Jst
	Voluntary Cost Share - In Kind	Jst

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

Non-MTDC		0.000 %	Voluntary Commi ▼	100.000 %
Voluntary Cost Share - In Kind	93,018.000	0.000	In Kind ▼	93,018.000

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

Tracking In-Kind Commitments

- In NUFinancials
 - In-kind commitments are not tracked in NUFinancials; no cost share chart strings are established for in-kind contributions



- 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
 - 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?

