Changes to Cost Sharing – Fund 193

Introduction
Cost sharing represents the total sponsored project or program costs (direct and indirect) that would normally be borne by a sponsor but instead are covered by the University or a third party, such as a subcontractor or an unfunded collaborator. In situations where the University commits cost sharing at the proposal (or award) stage, the cost sharing associated with the sponsored project must be tracked (in both mandatory and voluntary committed situations).

Challenges
The current function of the 191 and 192 accounts represent a cost sharing management issue on multiple levels:

- Current function of 191 and 192 does not provide distinction between mandatory and voluntary committed cost sharing.

- In many voluntary committed cost sharing situations, units are required to manage both a 191 and 192 for salary and non-salary items.

- 192s do not have an expense budget established; home unit must manually track on the total amount of cost sharing they must meet on an annual basis.

- 192s have no budget journals run for individual contributions under contributing units’ department IDs, so the home unit must separately track outstanding commitments and communicate with them directly to initiate transfer journals.

- 192 funds do not use a budget journal to establish a revenue budget, so contributing units have no formal way of approving the commitment in the financial system, and no way to easily view outstanding commitments and fund them.

Changes as of September 1, 2013:
As of September 1, 2013, the management of cost sharing will change to a model that clearly illustrates mandatory vs. voluntary committed cost sharing in the financial system and allows departments to more effectively manage the cash commitments associated with voluntary committed cost sharing. This consists of a change to the previous philosophy behind funds 191 and 192 and the creation of an additional cost share fund – the 193. These funds function as follows:

191: Used exclusively for mandatory cost sharing (salary and non-salary). A budget (plan for spending) is established on an annual basis in the financial system. Budget journals are run annually to establish individual contributing unit cash commitments.

192: Used exclusively for over-the-cap cost sharing. No budget established.

193: Used exclusively for voluntary committed cost sharing (salary and non-salary). A budget (plan for spending) is established on an annual basis in the financial system. Budget journals are run annually to establish individual contributing unit cash commitments.

<table>
<thead>
<tr>
<th>Previous Model</th>
<th>New Model as of 9/1/13</th>
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<tbody>
<tr>
<td>191 Mandatory (Salary &amp; Non-Salary) Voluntary Committed (Non-Salary)</td>
<td>Mandatory (Salary &amp; Non-Salary)</td>
</tr>
<tr>
<td>192 Voluntary Committed (Salary) Over-the-Cap</td>
<td>Over-the-Cap</td>
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<tr>
<td>193 N/A</td>
<td>Voluntary Committed (Salary &amp; Non-Salary)</td>
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More information coming soon at: [http://www.research.northwestern.edu/osr/costshare.html](http://www.research.northwestern.edu/osr/costshare.html)