Contract & Grant Accounting Policy 3 Cost Sharing on Sponsored Projects

The University of North Carolina at Greensboro

Approved by Steve Honeycutt, Interim AVC for Finance, July 1, 2021

Revised July 1, 2021

1. **Purpose/Introduction**

Cost sharing is the financial and non-financial support contributed by the University or a third-party to a sponsored project in order to complete the project’s statement of work. When cost sharing is required by the sponsor as a condition of the award, it should only occur to the extent necessary to meet the project’s scope of work. If proposed cost sharing is accepted by a sponsor, the University must document, meet and track these costs in a consistent manner.

Because UNCG receives Federal funds for research, the University is required to account for and report all cost sharing in the manner required by Federal regulations. This includes not only all federal (and federal pass-through) grants, but all other grants, contracts, and cooperative agreements from all sponsors who require it. This policy

- establishes the conditions under which the university will commit to cost sharing
- provides the process for including cost sharing in a sponsored project
- explains the specific guidelines that any cost sharing committed to by the University must meet

2. **Scope**

This policy applies to all sponsored projects regardless of funding source.

3. **Definitions and Roles & Responsibilities**

3.1 **Definitions**

**Cost sharing** – the portion of the total sponsored project costs not borne by the sponsor.

**Matching** – cost sharing in which the sponsor requires the university to match the level of grant funding in a specified proportion, such as a 50% match or a “1 to 1” match.

**Committed cost sharing** – a binding commitment by the university in the proposal or executed award document to provide resources in support of the sponsored project,
whether the cost sharing is Mandatory Committed cost sharing or Voluntary Committed cost sharing.

**Mandatory committed cost sharing** – cost sharing that the sponsor requires as a condition of obtaining an award.

**Voluntary committed cost sharing** – cost sharing that the sponsor does not require as a condition of obtaining an award, but that can become a binding commitment if quantified in the proposal budget or narrative. Some sponsors forbid the use of Voluntary Committed cost sharing.

**Voluntary uncommitted cost sharing** – cost sharing that the university provides though not required or quantified in the proposal or in the award. Examples include faculty effort provided or other direct costs assumed above and beyond the amount of committed cost sharing. Voluntary uncommitted cost sharing does not constitute a binding commitment, is not tracked or reported as cost sharing, is not certified as project effort or costs, and is not included for audit purposes.

**Third party (in-kind) cost sharing contribution** – the value of non-cash contributions that third parties provide to the sponsored project. Third parties must provide documentation to support the use of the funds as university cost sharing and a certification of the fair market value of the non-cash contribution provided.

**Unrecovered Facilities and Administrative (F&A) costs** – the difference between the federally negotiated F&A rate applicable to the award and the actual F&A rate approved by the sponsor and used in assessing indirect costs.

**Federally funded** – Funding received directly from federal agencies as well as federal pass-through funds received from non-federal sponsors.

### 3.2 Roles & Responsibilities

**The Principal Investigator (PI) is responsible for:**

- Obtaining necessary approvals for cost sharing prior to proposal submission
- Omitting voluntary committed cost sharing from proposal documents, including scientific portions and letters of support

**The PI’s department is responsible for:**

- Tracking, verifying, and documenting cost share
- Reporting cost sharing by submitting appropriate documentation to CGA
Contract & Grant Accounting is responsible for:
- Ensuring cost sharing procedures have been followed
- Verifying that all commitments have been met
- Reporting cost sharing when required by award terms

4. Policy

The university will commit to cost sharing only:
- when required by the sponsor
- to the extent necessary to meet the specific requirements of the solicitation
- if all cost sharing commitments are included in the proposal budget
- if the administrators responsible for the committed funds (e.g., department chair, dean, vice chancellor for research) provide specific approval for the cost sharing prior to proposal submission
- as permitted by university, state, and sponsor policies
- if the proposed cost sharing is reasonable, directly allocable to and necessary for the sponsored project

The university is required to track all committed cost sharing, both mandatory and voluntary, and to provide all documentation to the sponsor as verification of these costs.

All proposed and committed cost sharing should meet the following criteria:
- the costs must be able to be documented and verified based on UNCG’s records
- the costs must not be included as a cost sharing commitment related to any other project or program (i.e., the same costs may not be proposed as cost sharing for two or more projects)
- the costs may not be committed, or contributed, from another sponsored award, except where specifically authorized by Federal statute or the sponsor (i.e., costs incurred under a NIH grant may not be proposed or accounted for as a cost sharing contribution under a NSF grant or any other federal or non federal grant)
- the costs must be necessary and directly related to the project
- the costs must be incurred during the same performance period as the award supporting the project
- the costs must be allowable and allocable under federal cost principles and the terms of the sponsored agreement
- the costs must be identified in the approved budget or award (either directly or incorporated by reference) when required by the sponsor
- For a federally funded sponsored project, unrecovered F&A costs may be included as part of the university’s cost sharing only with the prior approval of the federal awarding agency
5. **Compliance and Enforcement**

Contract & Grant Accounting is responsible for ensuring compliance with this policy.

6. **Additional Information**

6.1 **Supporting Documentation**

Uniform Guidance on cost sharing 2 CFR 200.306
Office of Sponsored Programs, Budget Preparation – cost sharing

6.2 **Approval Authority**

This policy will be approved by the Interim Associate Vice Chancellor for Finance.

6.3 **Contacts for Additional Information**

- Responsible Executive, William Walters, Director Contract & Grant Accounting, (336) 334-5824, wdwalter@uncg.edu