

COST SHARE GUIDANCE AND PROCEDURES

The provision of cost-sharing or matching funds can be essential in many proposals for extramural funding. According to the Code of Federal Regulations, title 2, part 200 [2 CFR 200], cost sharing must come from nonfederal sources. Typically, cost-sharing falls into one of four categories:

- 1) **Mandatory cost sharing** includes institutional support required in writing by the granting agency, and the amount is specified in a granting agency's written solicitation.
- 2) **Voluntary committed cost sharing** includes institutional support dedicated to the project solely at the institution's discretion. These resources are pledged formally in a proposal, becoming binding commitments that the granting agency may audit.
- 3) **Institutional support/leverage** includes institutional resources not specified as mandatory or committed specifically yet discussed in the proposal narrative or supplementary documents as organizational resources or infrastructure necessary for and available to enable a project. Such resources can be described quantitatively but are not allocated to a specific project. Institutional support/leverage is communicated to demonstrate AAMU's capacity or capability.
- 4) **Voluntary uncommitted cost sharing** includes institutional support provided by AAMU but not pledged formally in the proposal, usually because of agency restrictions against cost sharing. Such cost sharing is subsequently made available to the project upon receipt of the award and is not binding or auditable. Such resources can be internally quantitated and solely support a specific project, but they are generally not shared with the sponsor before the award.

Once committed in a proposal narrative, proposal budget, or notice of award, mandatory and voluntary committed cost-sharing funds must be verifiable and fully documented in the accounting records following government regulations. Third-party in-kind contributions do not require entries in the AAMU accounting system. However, adequate records must be maintained to demonstrate that the total cost share commitment was performed. Effort commitment must be certified in the time and effort certification process for mandatory and voluntary committed cost sharing.

This document describes the university cost-sharing guidelines and processes and identifies when the processes begin and who should be involved.

General Guidelines.

The federal government requires the university to handle cost-sharing consistently and following the Uniform Guidance ([2 CFR 200.306](#)). ***To know whether a federal agency requires cost sharing, you should read the guidelines for the particular funding opportunity and check the agency website for policies.*** Grants from federal agencies will only have a cost-sharing requirement when allowed under the awarding agency's regulations and specified in a funding opportunity announcement. Contracts received when the federal agency seeks a specified service or product from the university typically do not require cost sharing.

For all proposals, careful initial budgeting should establish the total project cost – what is needed to perform the proposed project irrespective of the funding contributions. Understanding the project as a whole is the only way to adequately assess whether and/or how cost sharing should be part of the project budget.

Mandatory and voluntary committed cost-sharing offered by any person, unit, or office of the university in support of a sponsored project must be treated in the same manner as the direct costs covered by the project's sponsors. This means cost-sharing commitments must be allowed costs, expended during the award period, quantifiable, and auditable, and they cannot be allocated to more than one sponsored project.

Procedures.

Pre-Award.

- a) Consideration should be given to the administrative requirements and responsibilities inherent in the cost-sharing commitment to determine the cost-effectiveness and the expected benefits of cost-sharing before making such commitments. PIs must obtain approval for cost-sharing commitments from either the College Dean, the Vice President for Research and Economic Development (VP-RED) or the Office of Budget and Planning before proposal submission.
- b) In addition, a Principal Investigator (PI) is required to
 - i. complete and submit a [cost-share information form](#).
 - ii. verify that effort commitment cost-sharing in the proposal has been submitted and approved by the individual(s) listed in the proposal as well as their supervisor(s);
 - iii. *obtain budget authority for cost-sharing amounts from the State Fund budget manager;*
 - iv. ensure that committed funds for cost-sharing are available at the time the proposal is submitted and throughout the life of the award;
 - v. obtain approval documentation for cost-sharing commitments from third-party contributions or other sources as appropriate; and
 - vi. ensure that the total effort for an individual, including cost-sharing, is at most 100% at the time of award acceptance.
- c) Many proposals, including letters of intent with cost sharing, require coordination among and between departments/colleges. Multi-college proposals require a great deal of coordinated effort. All college deans must be included in all communications involving inter-college cost sharing early in the process.

Post-Award.

- a) When a PI proposes to cost-share, AAMU must provide the stated resources in the performance of the sponsored agreement.
- b) Implicit in the commitment to cost-share is the PI's agreement to ensure that funds are budgeted and available and cost-sharing is appropriately accounted for, monitored, tracked, and reported as required.
- c) Accounting for Cost Sharing.
 - i. Cost-sharing expenses for each project are accounted for in separate subaccounts explicitly established for that purpose.

- ii. Allowable costs must be timely and accurately charged to the appropriate cost-sharing subaccounts and approved by the PI.
- d) Monitoring, Tracking, and Reporting Cost Sharing.
 - i. The Office of Grants and Contracts (OGC) must monitor, track, and maintain documentation of the mandatory and voluntary committed cost-sharing and report to the sponsor where necessary.
 - ii. Tracking, reporting, and certifying of cost-sharing are subject to audit under 2 CFR 200, sponsor guidelines, or terms of the sponsored agreement.
- e) Time and Effort Reporting: A cost-sharing effort is included in calculating the total committed effort. Although proposals could be in circulation at any time that exceeds 100% of a staff's effort, care must be taken to ensure that effort is not committed more than the appointment allows for concurrent periods. Effort commitments cost sharing can only be used once and cannot be included as a contribution for any other federal or sponsored program.

Posting Cost Share Expenditures.

Cost share subaccounts are set up for each sponsored project account with a university-approved cost share. Departments are responsible for identifying and posting all mandatory and voluntary committed university cost-share to these cost-share subaccounts.

Example: *Posting Personnel Cost Share.*

Professor John Doe (PI) devotes 10% effort to his USDA-NIFA grant, account number 240015-20101, and does not request any salary support from the grant. Therefore, this is a cost-share obligation since the university is paying for the cost of his effort on the grant, which was quantified in the proposal.

- His cost-shared effort needs to be tracked for the project per federal requirements, and this tracking is accomplished by setting up a cost-share subaccount for the USDA-NIFA grant and posting his effort to the cost-share subaccount.
- The Office of Budgets and Planning and the Office of Grants and Contracts Accounting (GCA) will work with the PI to set up a cost-share subaccount for the grant. If the allocated cost-share funds have not been identified, the necessary funds to meet this obligation will be drawn from the State Account linked to the project Organizational Code (in this example, let the state source account number be 100001-50700).
- The *subaccount* in this example will be 100001-50700-CS240015. *Funds will be transferred from the source account provided by the Department (State FOAP: 100001-50700) to Professor John Doe's cost-share subaccount (100001-50700-CS240015) which will be set up by the Office of Budget and Planning.*



Cost Share Form

Responsible Office: Office of Sponsored Programs (OSP)

Applicability: A Principal Investigator (PI) engaging in any externally-funded research project that has budgeted (quantified) any in-kind, cash, or third party cost-sharing must submit a Cost Share Form at the time a proposal is submitted. An updated form should be submitted at the time of award, as applicable.

Nature of Form: Internal – the sponsor does not receive a copy of the form.

Process for Preparation / Submission:

1. The Principal Investigator (PI) will determine if cost sharing will be committed in the project proposal.
2. If cost sharing is included in a proposal budget, the PI will complete the cost share form and include appropriate associated account number(s) if known at the time of submission.
3. In some instances, one cost share form will be completed for each funding period.
4. An OSP staff will contact the PI if any clarification is required.

By submitting this form to OSP, the PI certifies proper authorization has been obtained from the authorized account owners to use the account numbers listed herein.



AAMU Cost Share Form



Submission Stage: _____

PI Name: _____

Proposal Number: _____

Budget Period: _____ to _____

AAMU Personnel Salaries/Contributed Effort

Name	Banner ID #	Role	Monthly Base Salary	Contributed Effort (person month)	Calculated Contributed Effort (in \$)	Cash/In-kind	PI's Departmental State Fund (FOAP*)	State FUND (FOAP) Budget Manager's Name
1. _____								
2. _____								
3. _____								
4. _____								
5. _____								

**Assignment of Accounts is based on best available knowledge at the time of submission*

Other Cash Contributions

Cash Cost Share Item	Committed Amount	Mandatory/Voluntary	Committed Amount per Year	Notes:
1. _____				
2. _____				
3. _____				
4. _____				
5. _____				

Unrecovered/Waived Indirect Costs

Calculation Base	IDC Rate	Committed Amount	Committed Amount per Year	Notes:
1. _____				
2. _____				

Any other type of in-kind commitment must be pre-approved by the Chair and Dean prior to submitting to OSP.

Third Party Cost Share

Name	Committed Amount	Third Party Line Item	Mandatory/Voluntary	Committed Amt/Year	Letter Attached?	Contact Information for Third Party (Email, phone, mailing address, etc.):
1. _____						
2. _____						
3. _____						
4. _____						

By signing and submitting this form to OSP, the PI certifies proper authorization has been obtained from the authorized account owners to use the account numbers listed herein.

Project Investigator's signature

State Fund Budget Manager's signature

VP for Research & Econ. Dev.(if using OSP account)

Dean/Research Director (if using College account)

Office of Sponsored Programs

GCA and/or Budgeting & Planning (if using cash contribution)