



# Cost Sharing on Sponsored Awards

OSP Roundtable  
October 19, 2023

## Overview

- What is cost sharing?
- How does cost sharing get represented in a proposal and RASS?
- What is allowable for cost sharing?
- Who must approve cost sharing?
- Should we cost share?
- The importance of proposal review
- When a proposal is funded how is cost sharing displayed in RASS?
- What if we do not meet the cost sharing expectations?
- Accounting requirements for cost sharing?

## What is cost sharing?

- Cost sharing, also known as matching, is the portion of the total project cost funded by an entity other than the sponsor.
- Cost sharing requirements are detailed in 2 CFR 200.306 and in University Policy 1.1, Cost Sharing for Sponsored Agreements
- There are several types of cost sharing, with varying impacts on the project, PI, department, college, and university.
- Two principal categories are **mandatory** and **voluntary**

## Mandatory Cost Sharing

- A contribution to a sponsored project or program required by the sponsor as a condition of obtaining the award.
- It is an eligibility requirement. Unless provided the proposal cannot be funded.
- 2 CFR 200 Appendix I.C: “Announcements must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible (if cost sharing is not required, the announcement must explicitly say so).”

## Voluntary Cost Sharing

- A contribution to a sponsored project or program offered by the principal investigator but not required by the sponsor as a condition of obtaining the award.
- Voluntary cost sharing is classified as either committed or uncommitted.

## Voluntary Committed Cost Sharing

- Quantified contributions reflected in the proposal budget or budget justification, or anywhere in the award document.
- 2 CFR 200.1: “cost sharing specifically pledged on a voluntary basis in the proposal's budget on the part of the non-Federal entity and that becomes a binding requirement of Federal award.”

➔ This is the prime focus of our discussion today

## Voluntary Uncommitted Cost Sharing

- Contributions not quantified or reflected in the proposal budget or budget justification.
- Defined in OMB Memoranda 01-06
- There may be a sponsor expectation of compliance.

## Cost sharing in a proposal overview

- Avoid committing cost share unless it is mandatory by the sponsor
  - Refer to agency specific guidelines and solicitation requirements
  - Ensure that the source of cost share is appropriate (Cost Share Source - Allowability Matrix)
- When possible, do not quantify costs that will not be borne by the sponsor
  - Costs quantified in the budget and/or justification is cost share
  - Effort above what the sponsor is providing in salary can be included in the Facilities, Equipment, and Other Resources document and the Current and Pending (if required)



## What is allowable for cost sharing?

- Cost allowability is the same for a sponsor-paid cost as it is for a cost shared cost.
  - It must meet the requirements of 2 CFR 200.403-5

Necessary

Be adequately documented

Reasonable

Comply with policies

In period of performance or budget period

Not used for cost sharing for another award

Consistent treatment

Comply with GAAP

Not from the same sponsor

## Common cost sharing

- Institutionally-paid faculty effort
- Portion of GRA tuition not funded by sponsor
- Cash match from internal or external sources
- Materials or equipment provided by external sources

## Unallowable cost sharing

- Items acquired outside of the period of performance
- Costs included in F&A rate, e.g. space costs, equipment depreciation
- Costs above a sponsor cap
- Any sort of unallowable cost

## Who must approve cost sharing?

- It is dependent on the source of cost share (i.e. department, college, university)
- The approver must have the authority and knowledge of the source of funds
- Approvals are done via RASS at proposal stage
  - RASS will send an email to the individual identified by the unit/college in RASS as the approver for that source of funding
- Additional approvals may be needed prior to the award being made if either cost share or sponsored budget changes

Should we cost share?

The determination of the need for cost sharing is to be made by the PI, department, and college, with an understanding of the institutional cost, agency rules, and solicitation requirements.

## Agency-specific cost sharing

- National Science Foundation (NSF)
  - Policy: The inclusion of voluntary committed cost sharing is prohibited...foregoing full indirect cost rate (F&A) recovery is considered voluntary committed cost sharing
- U.S. Department of Agriculture (USDA)
  - National Institute of Food and Agriculture (NIFA): If there is no matching requirement, a statement will be included in the Request for Application (RFA) to convey that there is not requirement... “...does not require matching support for this program and matching resources will not be factored into the review process as evaluation criteria.”
  - Other USDA subagencies may be required by federal statute to require cost share

## Agency-specific cost sharing

- National Institute of Health (NIH)
  - NIH policy does not prohibit inclusion of voluntary cost share
  - Quantified effort for Cornell employees in a budget justification that is not to be paid for by the sponsor should it be awarded constitutes voluntary committed cost share. *This includes quantified effort in the personnel justification in modular budgets.*
  - Effort commitment requirements from the sponsor must be tracked with salary
  - Effort must be reported on the annual/final RPPR's and will be subject to prior approval requirements if the individual is named on the Notice of Award (NOA)
  - Funding for researchers with salaries above the NIH cap is considered cost share that the unit is responsible for tracking *but is not tracked in RASS (salary cap calculator)*

## Cost Share in RASS

- Budget Tab: Make sure to indicate Yes under the cost share section and whether it is mandatory or voluntary.
  - Add the source of cost share and the total amount
    - Tuition/Fees = College
    - F&A waivers, reductions, or unrecovered F&A = College
    - PI Salary and benefits = Department
    - Contract college benefits on institutionally-paid cost shared salaries = Department
    - Funds offered by OVPRI, Provost, etc. = University
  - Input the amount of cost share per year under the Period Setup section
  - Include detailed information on how the cost share was calculated (excel is preferred)
    - NIH cost share for effort only needs to include salary (no fringe or F&A)
    - Effort for HHMI funded researchers is third party cost share



# Cost Share in RASS – Effort Example

Cost Share

Will this budget include cost share?  Yes  No

Is cost share required by sponsor (mandatory)?  Yes  No

Sponsor documentation

collapse rows  | expand rows | Label | Source of Cost Share | Collateral Account Number | Amount | Status |
| --- | --- | --- | --- | --- |
| Effort Commitment Cost Share | Department: Office of Sponsored Programs |  | \$30,000 | Pending |

Add Cost Share Source

Source of Cost Share\*

College / Division\*

Lead Department / Section

Research Division > Office of Sponsored Programs

Label\*

Collateral Account Number

Amount\*

# Cost Share in RASS – Effort example (NIH)

Period

Budget Period Name\*

Period 1

Period Setup

+ Add Period

collapse rows | expand rows

Period	Dates	Sponsor Direct	Sponsor Indirect Costs (F&A)	Total Request	Cost Share Direct	Cost Share Indirect Costs (F&A)	Total Cost Share	Total Project Direct Costs	Total Project Indirect Costs (F&A)	Total
Period 1	07/01/2024 - 06/30/2025	\$250,000	\$160,000	\$410,000	\$10,000	\$0	\$10,000	\$260,000	\$160,000	\$420,000
Period 2	07/01/2025 - 06/30/2026	\$250,000	\$160,000	\$410,000	\$10,000	\$0	\$10,000	\$260,000	\$160,000	\$420,000
Period 3	07/01/2026 - 06/30/2027	\$250,000	\$160,000	\$410,000	\$10,000	\$0	\$10,000	\$260,000	\$160,000	\$420,000
All Periods	-	\$750,000	\$480,000	\$1,230,000	\$30,000	\$0	\$30,000	\$780,000	\$480,000	\$1,260,000

Total Indirect Costs (F&A)

\$160,000

# Cost Share in RASS – Mandatory Example

## Cost Share

Will this budget include cost share?  Yes  No

Is cost share required by sponsor (mandatory)?  Yes  No

Required Cost Share is [?](#)

Percent of Requested Budget

## Period Setup

[+ Add Period](#)

[collapse rows](#) | [expand rows](#)

Period	Dates	Sponsor Direct	Sponsor Indirect Costs (F&A)	Total Request	Cost Share Direct	Cost Share Indirect Costs (F&A)	Total Cost Share	Total Project Direct Costs	Total Project Indirect Costs (F&A)	Total
Period 1	07/01/2024 - 06/30/2025	\$250,000	\$160,000	\$410,000	\$79,867	\$8,768	\$88,635	\$329,867	\$168,768	\$498,635
Period 2	07/01/2025 - 06/30/2026	\$250,000	\$160,000	\$410,000	\$79,867	\$8,768	\$88,635	\$329,867	\$168,768	\$498,635
Period 3	07/01/2026 - 06/30/2027	\$250,000	\$160,000	\$410,000	\$79,867	\$8,768	\$88,635	\$329,867	\$168,768	\$498,635
<b>All Periods</b>	<b>07/01/2024 - 06/30/2027</b>	<b>\$750,000</b>	<b>\$480,000</b>	<b>\$1,230,000</b>	<b>\$239,601</b>	<b>\$26,304</b>	<b>\$265,905</b>	<b>\$989,601</b>	<b>\$506,304</b>	<b>\$1,495,905</b>

Salary and Fringe and IDC	Department: Office of Sponsored Programs	Mandatory	\$67,405
Free Stuff LLC Cost share	Free Stuff LLC <a href="#">Letter_of_Commitment.docx</a>	Mandatory	\$50,000
Research Division Cost Share - Tuition	College: Research Division	Mandatory	\$88,500
Vice Provost for Research Cost share	University - Vice Provost for Research	Mandatory	\$60,000

## The Importance of Proposal Review

- Review by the GCO is determined by the amount of time provided to the GCO to complete their review before the sponsor's due date (see OSP Proposal Review Guidelines)
- GCO review of proposals can mitigate possible cost share issues that may come to light during the sponsor's review, prior to award, during post-award management, and at closeout.

## Cost Share when a proposal is awarded in RASS

- GCO will verify if cost share is committed during their review of the proposal and award documents, and ensure required approvals and tracking in RASS is present
- Cost sharing is committed in the Award Events/Actions panel of RASS

# Cost Share when a proposal is awarded in RASS

Action	Award Types						Obligated Total
1	Initial	Total Obligated		\$1,467,875.00			
			Projected Additional Funding	\$2,217,394.00			\$734,224.00
	Mandatory		Anticipated Total Award	\$3,685,269.00			
	Voluntary						
2	Continuation	05/22/2023	05/25/2023	06/01/2022	05/31/2024	\$733,651.00	\$1,467,875.00
	Mandatory Cost Share:	\$0.00					
	Voluntary Cost Share:	\$98,039.00					

What if we do not meet our cost sharing commitments?

- Cost sharing is a binding commitment
- Failure to meet cost sharing could result in award termination and/or repayment of award costs

## Accounting requirements for cost sharing?

- Generally managed through a cost sharing subaccount
- Other methods are available for infrequent situations such as award to award cost sharing, third-party cost sharing
- Imputed items, such as contract college benefits or foregone F&A are reported via a SFS workpaper
- See: [SFS Video](#) and [slides](#) from 2021 SFS Dialog



## Who to Contact

- Pre-award: Assigned Grant and Contract Officer
- Post-award: Assigned Financial Specialist or sfs-help@cornell.edu
- RASS support and training: rass@research.cornell.edu

