

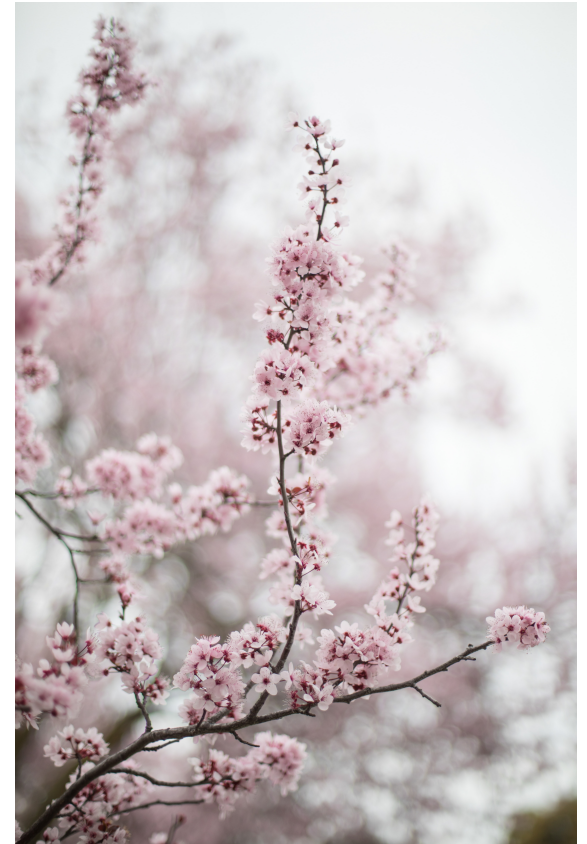


# Cost Sharing Basics

Presented By:  
Office of Contracts  
and Grants

# Objectives

- Define Cost Share
- Types of Cost Share
- Sources of Cost Share
- What Can/Can't be Cost Shared
- Roles and Responsibilities
- Managing Cost Share



# Definition of Cost Sharing

## Federal Definition

*Cost Sharing or Matching* means the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute).

## General Definition

The portion of research/project costs that are not borne by the sponsor.

# Types of Cost Share

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- Mandatory
- Voluntary
  - Committed
  - Uncommitted

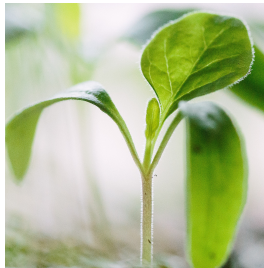
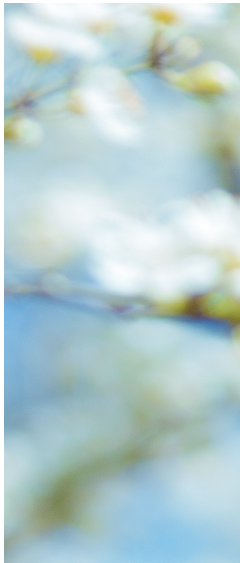


# Mandatory Cost Share

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- Is required per agency regulations and specified in a notice of funding opportunity



- May be a % of the total project costs or a fixed amount



- Must come from Non-Federal fund sources

# Voluntary Cost Share

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- Is *not* a requirement of the funding opportunity.
- Under Federal proposals, *voluntary committed cost sharing is not expected and cannot be used as a factor during the merit review of applications or proposals.*  
-Reference: OMB Circular



# Voluntary Cost Share

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## ➤ Committed

- Quantifiable and included in the proposal: Ex.: stating PI will commit 5% effort but is not charging any salary.
- Generally discouraged

## ➤ Uncommitted

- Costs incurred in order to carry out the project which are not charged to the sponsor and do not require tracking.

# Types of Cost Sharing - Summary

- **Mandatory Cost Share is:**

- Required by the sponsor in the RFP
- Included in the Proposal, stated in the budget
- Legally binding/must be tracked and reported to the sponsor

- **Voluntary Committed Cost Share is:**

- NOT a condition of the award
- Included/quantifiable in the proposal
- Legally binding/must be tracked and reported to the sponsor

- **Voluntary Uncommitted Cost Share is:**

- Project costs not funded by sponsor and not committed in the proposal
- Effort spent above the committed amount
- Is NOT required to be tracked or reported to the sponsor



# Sources of Cost Share

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- UC ANR Sources

- Other Sponsored Awards (NON-Federal) – Must have the other sponsor's approval to use that award as cost share on another project.
- Endowment Funds
- Gift Funds
- General Budget

# Sources of Cost Share

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- Third Party (Non-Federal)

- Subawardees
- Collaborators
- Volunteer Services / Donated Property
  
- Must have a signed letter of commitment
- Must be able to certify the value.

Ex: 1) volunteer services rates must be consistent with those paid for similar work. 2) Third party in-kind services must be the employee's regular rate of pay plus fringe benefits provided same type of work.

# What Can I Cost Share?

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Eligible costs must be:

- Readily verifiable in the University's records
- Necessary and reasonable to accomplishment the project objectives
- Allowable under cost principles
- Non-federal (except as authorized by statute)
- Incurred within the same time period as the award
- Not included as cost share on another project

# What Can I Cost Share?

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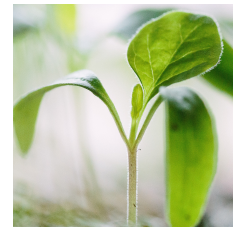
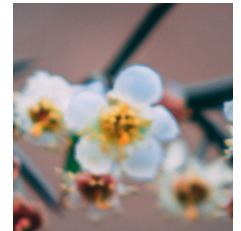
## Examples:

- Salaries/Benefits
- Equipment and M&S
- Other Direct Costs
- Unrecovered Indirects (with approval)

# What Can't I Cost Share?

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- Costs normally treated as Indirects
- Costs that would be unallowable per costing guidelines
- Costs not benefitting the project
- Costs not allowed on the award
- Items cost shared on other projects



# Proposal Roles and Responsibilities

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- PI/OCG: Review sponsor guidelines
- PI: Document cost share on budget/budget justification only
- PI: Obtain signed documentation from each funding source that has promised to contribute.
  - ANR: a signed letter from the unit head and AVP
  - Third Party: a signed letter of commitment specifying the dollar amount
  - Submit with the proposal package to OCG

# Award Roles and Responsibilities

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- OCG/BOC/CGA: Review awarded budgets for cost share
- BOC: Enter in the Cost Share Tracking Systems
- PI: Request contribution reports from third parties and track volunteer hours
- BOC: generate contribution reports during the award period. PI must certify the report.

# Cost Share Tracking System

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- Tracks and documents the actual incurred cost share
- Detailed training on the system is available

<https://financeandbusiness.ucdavis.edu/systems/cost-share-app>



# Cost Share Tracking System: Who is Responsible

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- Working with the PI, BOC will enter the data in the Cost Share Tracking System.
- PI will approve transactions for the Contribution Report
- PI will certify the Contribution Reports

# Remember

- Cost Share Expenditures are:
  - Auditable
  - Must follow cost principles
  - Part of the official record
- Most sponsors do not require cost share
- Voluntary Cost Share is generally discouraged
- Cost sharing requires additional effort to prepare, document, track expenses, and certify cost sharing reports.



# What questions are still unanswered?

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