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SYMPOSIUM  
FOR  
RESEARCH  
ADMINISTRATORS

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# Cost Share – What to Know

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Back to Basics

# Who we are:

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# What we hope you learn today:

- 1) The three types of cost share.
- 2) How to determine if cost share is required.
- 3) Who is responsible for cost share.
- 4) Type of costs can/cannot be used as cost share.
- 5) Understand challenges with cost share.
- 6) Why the UW should avoid cost share.

# Who are you?

Pre/Post

Experience?

None

5 or less

6-10

more than I want to admit

# What is Cost Share?

## Cost Sharing:

The portion of the total costs of a sponsored project that is borne by the UW rather than the sponsor. (i.e. UW pays for part of the research)

## Uniform Guidance Definition 2 CFR 200:

The portion of the project costs not paid by the Federal funds or contributions.

## Cost Sharing Commitment:

An obligation by the university to contribute to the total costs of a sponsored project by providing goods or services at no cost to the sponsor or a cash contribution toward a project expense (such as for the purchase of equipment).

# Uniform Guidance



## § 200.306 Cost sharing or matching

Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity.

Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity.

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306>

# What is Cost Share?

The portion of the total costs of a sponsored project that is born by the UW rather than the sponsor.

<b>Mandatory</b>	<b>Voluntary Committed</b>	<b>Voluntary UnCommitted</b>
<p>Required by the Sponsor as a condition of obtaining the award.</p> <p>The RFP needs to state that it is required (per Uniform Guidance).</p> <p>Not Mandatory if the sponsor simply "suggests it"</p> <p><b><i>Tracked</i></b></p>	<p>Offered at the proposal stage to increase the competitiveness against peer institutions for an award or other non-mandatory reasons.</p> <p><b><u><i>Should Avoid.</i></u></b></p> <p><b><i>Tracked</i></b></p>	<p>Not originally identified in the proposal but later provided by the institution.</p> <p><b><i>Not Tracked</i></b></p>

A cost-sharing commitment is an obligation made by the UW to contribute to the total costs of the sponsored project by providing goods or services at no costs to the sponsor or a cash contribution toward a project expense (such as the purchase of equipment).

# Cost Share – Track or Don't Track

Cost Sharing	Quantified <b>TRACKED</b>	Non-Quantified
Sponsor Requires	Mandatory Commitment	<b>X</b>
Sponsor Does Not Require	Voluntary Commitment	Voluntary – Not Tracked

# Do we have to Cost Share?

## **If mandatory - yes.**

- The RFP/FOA must state that cost-share is required then we must provide it.
  - Your budget should only meet the minimum requirement.

## **If not mandatory – should be no, but it depends.**

- “Cost-sharing encouraged” should carefully consider if should be offered in these cases.
- Some divisions have policies to not allow non-mandatory cost-share
- Some cases non-mandatory is necessary, and becomes “voluntary committed cost-share” which is tracked and documented

# Do we have to Cost Share?

NSF has a Policy to not allow cost share.

- PI submits proposal budget with no salary.
  - Do you allow it?
- <https://www.nsf.gov/funding/proposal-budget/cost-sharing>

# Roles & Responsibilities

## **Principal Investigators:**

- PI must comply with university's cost sharing policy
- PI must have available effort (cannot be 100% committed)
- PI must have available funding sources (ex: 101 or discretionary)
- When proposal involves subawards, PI needs to make subawards aware if cost-sharing is required of them
- Certify effort
- Notify dept and division about changes

# Roles & Responsibilities

## **Department Research Administrators:**

- Work with the PI to clarify effects of cost share and understanding of what is being committed
- Correctly budget for cost sharing and discuss ahead of time what this will entail
- Enter cost sharing commitments in RAMP
- Track in Workday via cost share grant worktag
- Monitor in Workday to confirm meeting requirement

# Roles & Responsibilities

## **College/School Research Administrators:**

- Review and approve cost sharing requests
- Assist Department Research Administrator with budgeting and tracking of cost share
- Assist with establishing policies for cost sharing, which may include no non-mandatory cost sharing
- Work with Research and Sponsored Programs to ensure cost share commitments are met
- Provide cost sharing expertise and guidance to Department and PI

# Roles & Responsibilities

## **Office of Research & Sponsored Programs:**

- Review award terms to be sure commitment is consistent with proposal
- Ensure RAMP is completed correctly and mandatory cost share budgets are uploaded
- Review cost share periodically, ensuring requirements are being met
- Coordinate and/or follow up with PI/Dept/Division on fulfillment of cost sharing requirement
- Ensure cost share is correctly reported

# Do we have to Cost Share?

**Awarded budget includes PI salary.**

**PI does not pay themselves on the sponsored project.**

- **Is this cost share?**
- **If so, what type of cost share?**
- **Do we have to track?**

**\* If some salary is moved off the sponsored project, is it now cost share and trackable?**

# Can I Cost Share This?

Payroll?

Expenses paid on another Federal grant?

Supplies?

Equipment?

Costs normally unallowable on a Federal grant?

Volunteer time?

# How do we provide Cost Share?

## Cost-Share Sources

Payroll is most common (recommended)

- This includes salary, fringe and F&A, if allowed.
- Already captured in the financial system, so is easy to document.

Other Options?

- Non-Payroll Expenses (supplies, travel, etc)
- Third Party (in-kind, subawardees, etc)
- Unfunded F&A (difference between Federally-negotiated rate and rate allowed by sponsor, must be specifically approved by the sponsor)

<https://rsp.wisc.edu/costsharing/CostSharingGuidance.pdf>

# Can I use any salary? Cost-Share Sources

## It depends

Did the individual work towards the goals of the sponsored project, but were not paid on the sponsored project or other sponsored funding?

Cost sharing typically comes from sources that are NOT sponsored projects:

Examples are 101, 136, 150, 233

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For example, a grad student would need to have salary coming from one of these sources to cost share

Rarely can another sponsored project (133, 144, 142, 143) be used as a cost share source.

# Non-Payroll Cost-Share

Payroll is preferred type of cost share, since it's already in the UW financial system, easy to document, and people are needed to complete the research. However, may not always be enough, so alternate sources are needed, i.e. non-payroll. Examples:

- Supplies, Travel, Equipment
- Subawardee contributions
- Third-party cost share
- Unfunded/unrecovered F&A

# Non-Payroll UW Expenses

- Must all be related to the research. If allowable on the grant, generally allowable as cost share.
  - In some cases, may be allowable only as cost share (i.e. tuition remission on some awards)
- <https://rsp.wisc.edu/costsharing/CostSharingGuidance.pdf#page=12>
- Needs to be documented clearly, since has a higher audit risk.
- Includes UW purchased supplies, travel, and equipment.
- F&A allowed, if allowed on the grant (see also unfunded F&A).

# Non-Payroll Cost Share Third Party

## . Subaward contributions

- If an award requires cost share and has a subaward, a proportional amount of the cost share required should flow down to the subaward
- If the subawardee cannot provide their portion of the requirement, it falls upon the UW to meet the full amount.

## . UW zero-dollar appointees

- Considered third party, since no UW payroll.
- Value of cost share amount is a function of base salary

## . Other third parties

- Can include volunteer services, effort from their employees, donations, loaned equipment
- Need to determine value (2 CFR 200, Subpart D) and work with Dean's Office and RSP

<https://rsp.wisc.edu/costsharing/CostSharingGuidance.pdf#page=12>

# **Non-Payroll Cost Share Unfunded F&A**

- Unfunded F&A (difference between Federally-negotiated rate and rate allowed by sponsor, must be specifically approved by the sponsor)
- Amount equals the total direct expenses on the sponsored project multiplied by the difference in the rates.

# Pitfalls of Cost Share

Takes away resources

Affects the F&A rate

Difficult to manage

Administrative burden

# Questions?

Thank you!

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