



UNIVERSITY OF NORTH FLORIDA
Office for Research and Sponsored Programs (ORSP)

COST SHARING PROCEDURES

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I. Overview

Cost sharing is defined as program or project costs not borne by the sponsoring agency. Cost sharing may include contributed effort, other University matching funds, unrecovered facilities and administrative costs (F&A or indirect costs), and third party in-kind contributions. OMB Circular A110 entitled “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non Profit Organizations”, Subpart C, Section 23, requires that all cost sharing must:

- Be necessary and reasonable for proper and efficient accomplishment of project objectives;
- Be readily verifiable from the university’s official records;
- Not be paid by the federal government under another award (except where authorized under federal statute to be used for cost sharing);
- Be provided for in the approved budget (when required);
- Not be included as cost sharing for any other sponsored award; and
- Be allowable under applicable cost principles and conform to other applicable Circular provisions.

All mandatory or voluntary committed cost sharing and in-kind/matching must be identified, administered, and accounted for consistently throughout the University. This document outlines the University procedures during the period of performance of any sponsored project and the information required in order to comply with any category of cost sharing commitment.

II. Definitions

Cost sharing includes both cash and in-kind contributions that a recipient makes to an award:

Cash contributions: The recipient's cash outlay, including the outlay of money contributed to the recipient by third parties.

In-kind contributions: Non-cash contributions in the form of real property, equipment, supplies, and other expendable property, and the value of goods.

- Valuation of in-kind contributions: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor.
 - **Volunteer services provided by individuals.** Rates for volunteers should be consistent with those paid for similar work at UNF. In those instances in which the required skills are not found at UNF, rates should be consistent with those paid for similar work in the labor market in which the contributor competes for the kind of services involved.
 - **Volunteers employed by other organizations.** When an employer other than UNF furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.
 - **Valuation of donated, expendable personal property.** Donated, expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to expendable personal property included in the cost or matching share should be reasonable and should not exceed the current market value of the property at the time of the donation.
 - **Valuation of permanently donated, non-expendable property.** Donated, non-expendable property includes equipment, buildings, land, etc. Consult UNF's Controller's Office for the proper method of accounting.
 - **Use of space.** The value of donated space shall not exceed the fair rental value as established by an appraisal of comparable space and facilities in a privately-owned building in the same locality.
 - **Loaned equipment.** The value of loaned equipment shall not exceed its fair rental value.
 - **Proposals that include Third-Party Cost Sharing.** When a third party agrees to donate any goods or services in support of a UNF project, this contribution is generally referred to as third-party cost sharing

There are two types of cost sharing: mandatory cost sharing and voluntary cost sharing:

Mandatory cost sharing – Cost sharing that is legally required by the awarding agency as a condition of the award.

Voluntary cost sharing – Cost sharing that is not required by the awarding agency as a condition of the award. However, some federal agencies expect some cost sharing commitment to be identified in the proposal. If voluntary cost sharing is included in the proposal, it will become mandatory cost sharing if accepted by the sponsoring agency as a part of the award (grant or contract).

Voluntary uncommitted cost sharing – On January 5, 2001, the Office of Management and Budget (OMB) issued a policy statement clarifying the OMB_Circular A-21 treatment of Voluntary Uncommitted Cost Sharing. Voluntary Uncommitted Cost Sharing is defined by

OMB as university faculty or senior researcher effort that is over and above that which is committed and budgeted for in a sponsored agreement. This differs from mandatory or voluntary committed cost sharing which is cost sharing specifically pledged in the proposal's budget or award. To be considered voluntary uncommitted cost sharing, percentage of effort and/or dollar amounts cannot be included in the proposal. If voluntary uncommitted cost sharing is defined in such a way that time and effort can be accounted for, the proposed effort becomes voluntary committed cost sharing.

Cost share must be allowable:

Allowable Costs – In order to be eligible to be considered as cost sharing, costs must be verifiable from the official University records. Tests for allowability of costs include the following:

- not previously used as cost sharing for another project (the same cost sharing expenditures cannot be used for multiple projects)
- reasonable and allocable to the project (OMB Circular A-21)
- allowable under the terms of the award and under OMB Circular A-21
- conform to other provisions of OMB Circular A-110, as applicable
- incurred during the effective dates of the grant or during the pre-award phase when authorized by the sponsor
- not paid by the federal government under another award

III. Who is Affected by This Procedure

This procedure applies to all new sponsored projects and programs as of January 1, 2012. It should be understood by Principal Investigators (PIs), Department Managers and Staff, Department Chairs, Deans, and the Office of Research and Sponsored Programs (ORSP).

IV. Procedures

The following steps represent the cost sharing process from award initiation throughout the duration of the sponsored project or program:

- 1) At the time of the proposal submission, the PI will submit a detailed cost share budget identifying the funding source of the cost share. If third-party contributions will be included in the proposal, a letter of commitment is needed at the time of the proposal submission.
 - The funding source of cost share should be identified on the proposal budget and approved by the PI, ORSP, the Department Chair and Dean of College through the internal proposal routing form.
- 2) After the proposal is awarded, ORSP will review the terms of the award to understand the cost sharing commitments and communicate any changes from the proposed cost sharing commitments to the PI.
- 3) The PI will provide ORSP the funding source for all cost share match.
 - Potential Sources of Cost Sharing:
 - E&G Funds
 - Auxiliary Funds
 - Foundation Accounts

- Program Income
 - C&G Funds (Recovered F&A - 25XXX Indexes)
 - Third-Party Contributions
- 4) ORSP will establish a new ORSP Cost Share Index to include the cost sharing details specified during the proposal stage and any sponsor-approved modifications in the award initiation stage.
 - Cost share met through cash contributions and in-kind contributions will be separately recorded in the financial records of the University using a ORSP Cost Share Match Index. Budget and expenditures for cost share match will be recorded in the ORSP Cost Share Match Index (*See Appendix A for ORSP Cost Share Match Indexes – Funding Source Assignments*).
 - Third-party in-kind match will be recorded in memorandum records and kept with the applicable grant file(s).
 - 5) ORSP will notify the PI of the new ORSP Cost Share Index.
 - For **new awards**, the cost sharing budget should be set up at the same time as the sponsored project budget. Sponsor funds and cost-share funds normally should be spent at the same rate of expenditure. Therefore, the sponsored project budget shall not be activated until all cost sharing information has been received.
 - When a new award is received, GAFM will discuss the cost sharing requirements with the PI during the orientation meeting.
 - 6) The PI will guide award expenditures through proper University channels in order to meet cost sharing commitments, review cost sharing expenditures for allowability, and provide appropriate backup documentation to ORSP in order to maintain documentation in the project grant file.
 - All committed cost share is subject to review and approval by ORSP for allowability, appropriateness and sufficiency.
 - 7) The PI will submit to ORSP any modifications to the original committed cost sharing budget.
 - 8) ORSP will maintain the cost sharing budget in Banner and will obtain sponsor approval for any modifications as necessary.
 - 9) The PI and ORSP will verify the final cost sharing commitment.
 - Award monitoring of the cost sharing expenditures should be performed on a routine basis by the PI and ORSP in order to ensure that cost sharing obligations are fulfilled.
 - The PI should be aware that he/she is ultimately responsible for fulfilling the cost sharing commitment proposed.
 - If cost sharing commitments are not met, sharing are not achieved, the department administrator and PI must identify alternate forms of cost sharing to fulfill the obligation to the sponsor.
 - 10) ORSP will prepare and submit reports to sponsors certifying cost sharing.

ORSP Cost Match Form

University of North Florida Office of Research and Sponsored Programs

COST-SHARING STATEMENT

Project Name or Program Title _____
 Principal Investigator or Program Director _____
 Submission Date (please check one) 1st Qtr 2nd Qtr 3rd Qtr 4th Qtr Final
 Account Number: _____

CASH MATCH**

I. SALARIES AND FRINGE BENEFITS	Personnel	Position	Salary	FB	% of Effort	Cost Share
1.						
2.						
3.						
4.						

Sub-Total _____

II. OPERATING EXPENSES	Items	Amount
1.		
2.		
3.		
4.		

Sub-Total _____

III. OTHER (Please specify)	Items	Amount
1.		
2.		

Sub-Total _____

IN-KIND

I. SALARIES AND FRINGE BENEFITS	Personnel	Position	Salary	FB	% of Effort	Cost Share
1.						
2.						
3.						
4.						

Sub-Total _____

II. OPERATING EXPENSES	Items	Amount
1.		
2.		
3.		
4.		

Sub-Total _____

III. OTHER (Please specify)	Items	Amount
1.		
2.		

Sub-Total _____

I certify that I have direct knowledge of all the efforts and expenditures reflected in this cost-sharing statement and, to the best of my knowledge, these charges are accurate, correct, and used for appropriate purposes and in accordance with the provisions of the contract and/or award.

Principal Investigator Signature: _____ Date: _____

**Please attach appropriate documentation for each match. For salaries, attach appropriate faculty activity report (FAR), payroll register or time sheets. For operating expenses, attach appropriate ledgers, invoices, or receipts.

APPENDIX A
ORSP Cost Share Match Indexes
Funding Source Assignments

For AA divisions within each college:

Scheme will be XX XX XX (1st 2 digits will denote the college – 2nd 2 digits will always be “30” denoting ORSP – and last 2 digits will be next sequential number).

AA & Departments Not in a College	603000 603001-603099	Header org available for each new cost share
COAS	613000 613001-613099	Header org available for each new cost share
CCB	623000 623001-623099	Header org Available for each new cost share
COEHS	630000 633001-633099	Header org Available for each new cost share
BCH	643000 643001-643099	Header org Available for each new cost share
CCEC	653000 653001-653099	Header org Available for each new cost share

For awards from Foundation:

Scheme will be under the 2026xx series of orgs for Foundation

Foundation	202610 202611-202688	Header Org Available for each new cost share
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NOTE: Financial Systems will set up the Header Orgs, but the remaining orgs/indexes will not be established until the time ORSP requests an org for a new cost share. These orgs will roll up into the appropriate college level summary org for reporting purposes. Also, the fund associated with each org will be the funding source of the match. The index will be the same as the org number.

Funds

E&G	110000
Auxiliary	3XXXXX (Auxiliary fund account must be provided by PI)
Local Funds	15XXXX (Local fund account must be provided by PI)
Foundation	8XXXXX (Foundation fund account must be provided by PI)