



Policy Chapter: Chapter 13 Research and Innovation

Policy Number and Title: 13.018 Cost Sharing for Sponsored Projects

I. Policy Statement

As a condition of receiving an award from a sponsor, the University of North Texas is sometimes held responsible for a portion of the cost of the sponsored project. When this occurs, UNT must ensure that the administration of cost sharing is in a consistent and reasonable manner, and that the fulfillment of cost sharing commitments is documented and verified. This policy establishes requirements and responsibilities for monitoring, tracking, reporting, and documenting cost sharing for sponsored projects at UNT.

II. Application of Policy

This policy applies to all faculty and staff engaged in sponsored project activities and applies to all sponsored projects, regardless of how they are funded (e.g., federal, state, local, or private sponsor).

III. Policy Definitions

A. Allocable

“Allocable,” in this policy, means a cost incurred that advances the work of a sponsored project and is chargeable to a particular cost objective.

B. Allowable

“Allowable,” in this policy, means a cost incurred that is reasonable, allocable, consistent, and conforms to any limitations or exclusions of the sponsor.

C. Award

“Award,” in this policy, means a grant, contract, subcontract, subgrant, or cooperative agreement that provides funding from an external sponsor of a sponsored project and is entered into between the sponsor and UNT.

D. Committed Costing Sharing/Matching

“Committed Cost Sharing” and “Committed Matching,” in this policy, mean a binding commitment by UNT to provide resources to a sponsored project, which UNT must agree to as part of the terms of an award. All committed cost sharing must be tracked and may require reporting to the sponsor.

E. Cost Sharing

“Cost Sharing,” in this policy, means the portion of a sponsored project cost that is not borne by the sponsor but is allocated to UNT or a third party. Cost sharing may involve cash and/or in-kind contributions and may consist of institutional funds or funds from outside sources.

F. Cost

“Cost,” in this policy, means an expense that has been incurred by UNT and recorded to the financial accounting system of UNT.

G. Effort

“Effort,” in this policy, means the amount of time spent on any activity for which an individual is compensated by UNT. Effort is expressed as a percentage of the individual’s total institutional activities, which typically includes work on sponsored projects, teaching and instruction, service, or other duties for UNT.

H. F&A Cost

“F&A cost,” in this policy, means facilities and administrative costs. F&A cost is referred to as “indirect cost.”

I. In-Kind Contribution

“In-Kind Contribution,” in this policy, means a type of non-cash cost sharing where the value can be readily determined, verified, documented, and justified but where no actual cash is allocated in securing the good or service comprising the contribution. When applicable, an estimated value of the in-kind contributions should be determined and documented based on the fair market value at the time of acceptance of the award. In-kind contributions that are used for cost sharing must be tracked manually by the Principal Investigator.

J. Mandatory Committed Cost Sharing

“Mandatory Committed Cost Sharing,” in this policy, means cost sharing required as a condition of an award and included in the terms of the award grant or contract. Mandatory Committed Cost Sharing must be documented and tracked and may require reporting.

K. Matching

“Matching,” in this policy, means a specific type of cost sharing, typically used when a sponsor requires the grantee to “match” the sponsor funding according to a specified ratio. In practice, the “cost sharing” and “matching” are often used interchangeably.

L. OMB Circular A-21

“OMB Circular A-21,” in this policy, means the United States Office of Management and Budget (OMB) Circular A-21, “Cost Principles for Educational Institutions,” relocated to 2CFR, Part 220, as revised or superseded.

M. Over-the-Cap Salary

“Over-the-cap salary,” in this policy, means the portion of a faculty or staff member’s salary

and associated fringe benefits that exceed the regulatory maximum imposed by the sponsor (e.g., National Institutes of Health and Department of Defense salary cap).

N. *Principal Investigator (PI)*

“Principal Investigator” and “PI,” in this policy, mean a single individual who, in the event of an award from an external funding agency, shall have the full and final responsibility for the conduct of the project as proposed and as set forth in the award.

O. *Sponsor*

“Sponsor,” in this policy, means any external entity that provides funding to UNT for sponsored projects. Sponsors may be (i) governmental agencies (for example: federal, state, or local governments or their administrative organizations); (ii) nonprofit organizations (for example: universities, nonprofit corporations, foundations, or associations); (iii) for-profit organizations (for example: corporations, partnerships, sole proprietorships, and other business entities); or (iv) individuals. Governmental, nonprofit, and for-profit sponsors are sometimes referred to by themselves and others as “agencies”.

P. *Sponsored Project*

“Sponsored Project,” in this policy, means a project funded by an external sponsor through an award with UNT, where one or more of the following obligations apply (examples of sponsored projects include but are not limited to instruction projects, public service projects, or research projects):

1. Financial Obligation – UNT is required to comply with conditions imposed when a sponsor awards funding for the performance of services or delivery of products described in a statement of work.
2. Regulatory Obligation – UNT is required to comply with sponsor regulations, which may include federal or state regulations.
3. Reporting Obligation – UNT is required to provide to the sponsor technical performance reports or regulatory or administrative reports.
4. Performance Obligation – UNT is required to perform within a certain period and may be required to meet other specified requirements related to performance.
5. Accounting Obligation – UNT is required to establish a separate accounting record of project accountability, to provide financial reports to the sponsor, and to preserve appropriate records for audit purposes.

Q. *Total Institutional Activities*

“Total institutional activities,” in this policy, means all activities for which an individual is

compensated by UNT as a result of his or her employment, including but not limited to, service on UNT committees, teaching, performing duties associated with committee-work or teaching, public service, continuous administrative duties (Unit Administrator, dean, etc.), and research (which may or may not be pursuant to a sponsored project).

R. *Uniform Guidance*

“Uniform Guidance,” in this policy, means OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200, et al. The Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in the Federal Register. This regulation provides a government-wide framework for grants management for the Federal Agencies who in turn implement these regulations at the agency level (as a part of their Agency Code of Federal Regulations (CFR)) for the grantees. The Uniform Guidance replaces the administrative, accounting, and audit rules and cost principles promulgated in the OMB Circulars, including A-21, A-110, and A-133.

S. *Unit Administrator*

“Unit Administrator,” in this policy, means an individual with unity supervisory responsibilities. Unit administrators include, but are not limited to directors, chairs, associate deans, and deans.

T. *Voluntary Committed Cost Sharing*

“Voluntary Committed Cost Sharing,” in this policy, means cost sharing that is included in a sponsored project proposal by UNT on a voluntary basis, quantified in either the proposal budget and/or narrative, and is included as a term in the award grant or contract so that it becomes mandatory and must be tracked and documented. Voluntary committed cost sharing also may require reporting to the sponsor.

U. *Voluntary Uncommitted Cost Sharing*

“Voluntary Uncommitted Cost Sharing,” in this policy, means cost sharing and effort that are not included as part of the submitted proposal or in the award grant or contract. This type of cost sharing does not need to be tracked or reported.

IV. Policy Responsibilities

A. *Generally*

Cost sharing activities require the support and coordination of all research community including Principal Investigator, Institutes, Centers, College Research Officer (CRO), Dean, Department Unit Administrator, Grants and Contracts Administration (GCA) and VPRI office.

B. Grants and Contracts Administration (GCA) Responsibilities

The GCA is responsible for overseeing and approving all cost sharing related to sponsored projects. The GCA Pre Award and Post Award are responsible for reviewing the cost share form and proposal to ensure that the cost sharing is allocable, allowable, and reasonable in accordance with sponsor requirements, federal and state law and regulations, and UNT policy. The Vice President of Research and Innovation or designee must approve the proposed waiver of any portion of F&A cost recovery.

C. Principal Investigator (PI) Responsibilities

The Principal Investigator is responsible for identifying resources for cost sharing and obtaining approval of cost sharing from the dean of the school and/or college, department Unit Administrator, or director of a center or division that will be providing resources for the cost sharing prior to the submission of a cost share form and the proposal to the GCA. Requests for cost sharing must be completed in a timely manner.

D. Use of Minimum Amount of Cost Sharing Necessary

It is the policy of UNT that only the minimum amount of cost sharing necessary to meet a sponsor's requirements will be committed to a sponsored project. Therefore, voluntary committed cost sharing is strongly discouraged and is usually not allowable. Cost sharing may be in the form of direct costs (personnel or non- personnel) or F&A costs, subject to the sponsor's restrictions.

E. Funds/Expenses Ineligible for Cost Sharing

The following funds or expenses cannot be used to achieve cost sharing commitments:

1. expenses not considered allowable in a federal grant or contract, including but not limited to entertainment type expenses, expenses for general equipment, or proposal-writing activities;
2. expressly unallowable costs as set forth in the Uniform Guidance, Subpart E – Cost Provisions, General Provisions for Selected Items of Cost;
3. expenses categorized as unallowable in the sponsored project grant or contract;
4. over-the-cap salary;
5. effort commitments used as cost sharing for more than one sponsored project – in order to be allowable, effort commitments must be expended directly in support of the scope of work of a single sponsored project and must coincide with the award's period of performance;
6. cost sharing that includes indirect cost differential (the difference between sponsor-

approved and University-negotiated rates) unless approved by the Federal, State or Private awarding agency;

7. valuation for in-kind contributions and services used for cost sharing that is not in accordance with applicable federal regulations; and
8. federal funds, except as authorized by law.

F. Monitoring of Sponsored Project Expenditures

During the term of an award, the Principal Investigator is responsible for monitoring sponsored project expenditures on a regular and timely basis (at least monthly) to ensure the following:

1. cost sharing expenses are associated with only one sponsored project;
2. cost sharing commitments are being met using appropriate resources as specified in the cost sharing form and the award grant or contract;
3. cost sharing associated with a sponsored project is reasonable, allowable, allocable, and necessary, and costs incurred during the effective dates of the award are timely and accurately charged to the appropriate accounts and sponsored projects;
4. appropriate creation and maintenance of documentation of cost sharing contributions;
5. report cost sharing activity to GCA Post Award at the required intervals as necessary under the award grant or contract, but no less often than annually;
6. if the amount of cost sharing has changed or if the cost sharing can no longer be met, contacting GCA Post Award and working with them to address the change in commitment; and
7. upon closeout, providing cost share information and confirming the cost sharing commitment has been met, and coordinating with GCA Post Award to resolve any cost sharing discrepancies.

G. Responsibilities of Deans, Department Unit Administrators, and Directors

Deans, Department Unit Administrators, and Directors are responsible for the following:

1. providing direction, resources, and oversight to the principal investigator to help ensure that all cost sharing obligations and expenditures are met in accordance with law, federal regulations, the sponsored project grant or contract, UNT policies and procedures, and sponsor policies and procedures;
2. documenting in a timely manner the allocation of college, department, center, or institute committed cost sharing;

3. providing resources for cost sharing as committed by the school, college, department, division, institute, or center; and
4. assuming any financial loss if cost sharing commitments are not met and the sponsor does not approve of a reduction of cost sharing commitment.

H. GCA Pre Award Responsibilities

GCA Pre Award is responsible for the following:

1. ensuring that cost sharing commitments are appropriately included (or not included) in proposals in accordance with law, federal regulations, UNT policies and procedures, and sponsor policies and procedures;
2. ensuring that resources for cost sharing are approved and documented in writing prior to proposal submission;
3. identifying situations where an award is significantly less than requested, and work with the principal investigator and sponsor to determine whether any related cost sharing should be appropriately reduced; and
4. advising the Principal Investigator, applicable administrative offices, and the appropriate department Unit Administrator, Dean, or Director of the existence and form of cost sharing associated with an accepted award.

I. GCA Post Award Responsibilities

GCA Post Award is responsible for the following:

1. providing financial system set-up to accommodate cost sharing as evidenced in the budget and the sponsored project grant or contract;
2. documenting the cost share expenses that are incurred;
3. screening sponsored project costs to ensure that costs are allowable and are categorized by the proper account code;
4. reviewing recorded cost sharing for compliance with UNT commitments; and
5. reporting cost sharing to sponsors according to sponsor requirements and the terms and conditions of awards.

V. Resources/Forms/Tools

Cost Share Form

Principal Investigator Handbook

VI. References and Cross-References

[2 C.F.R., Part 200](#), formerly OMB Circular A-21

[2 C.F.R. § 200.306](#), federal regulations regarding Cost Sharing

VII. Revision History

Policy Contact:	Asst VP, Grants and Contracts Administration
Approved Date:	06/03/2020
Effective Date:	06/03/2020
Revisions:	-