



Policy Chapter: Chapter 13 Research and Innovation

Policy Number and Title: 13.018 Cost Sharing for Sponsored Projects

I. Policy Statement

The University of North Texas (UNT) may enter into agreements with external sponsors that require the University to contribute a portion of the total cost of the sponsored project. When cost sharing is committed as part of an award, 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 the requirements and responsibilities for monitoring, tracking, reporting, and documentation of 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 funding type (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. Cost

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

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.

1. Committed Cost 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 and Committed

Matching must be tracked and documented and may require reporting to the sponsor.

a. In-Kind Contributions

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 and have supporting valuation documentation

b. Matching

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 phrasing of "cost sharing" and "matching" are often used interchangeably but are not always identical and can vary depending on context of application.

c. Mandatory Committed Cost Sharing

A type of 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.

d. Over-the-Cap Salary

Used when the portion of a faculty or staff member's salary and associated fringe benefits exceed the regulatory maximum imposed by the sponsor (e.g., National Institutes of Health and Department of Defense salary cap).

e. Voluntary Committed Cost Sharing

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.

2. Voluntary Uncommitted Cost Sharing

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.

F. 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.

G. 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.

H. 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”.

I. 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:

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.

J. Total Institutional Activities

“Total institutional activities,” in this policy, means all activities for which an individual is compensated by UNT as a result of their employment, including but not limited to, service on UNT committees or performing duties associated with committee-work, teaching, , public service administrative duties, and research (which may or may not be pursuant to a sponsored project).

K. 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.

L. 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.

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 Vice President of Research and Innovation (VPRI) office.

B. Grants and Contracts Administration Responsibilities

The GCA is responsible for overseeing and approving all cost sharing related to sponsored projects. The GCA Pre Award and Post Award teams have specific responsibilities in the cost sharing process. The VPRI or designee must approve the proposed waiver of any portion of F&A cost recovery.

1. Pre-Award Responsibilities

- a. ensuring that the cost sharing commitments, or lack thereof, are appropriately included in proposals in accordance with law, federal regulations, UNT policies and procedures, and sponsor policies and procedures.

- b. Ensuring that resources for cost sharing are approved and documented in writing prior to proposal submission;
- c. Identifying situations where an award is significantly less than requested, and work with the PI and sponsor to determine whether any related cost sharing should be appropriately reduced.
- d. Advising the PI, applicable administrative offices, and the Unit administrator of the existence and form of cost sharing associated with accepted award.

2. Post-Award Responsibilities

- a. Providing a financial system set-up to accommodate cost sharing as evidence in the budget and the sponsored project grant or contract.
- b. Documenting the cost share expenses that are incurred.
- c. Reviewing sponsored project costs used for cost share to ensure that costs are allocable and allowable, and being recorded correctly.
- d. Reviewing recorded cost sharing for compliance with UNT commitments.
- e. Reporting cost sharing to sponsors according to sponsor requirements and the terms and conditions of awards.

C. Principal Investigator (PI) Responsibilities

The Principal Investigator is responsible for identifying resources for cost sharing, prior to the request to use the resource as cost share and prior to the proposal to the GCA, and obtaining approval from the Unit Administrator responsible for the identified resources provided for the cost sharing. Requests for cost sharing must be completed in a timely manner.

D. Responsibilities of Unit Administrators

Unit Administrators 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. approval and documentation provided in a timely manner for Unit committed resources; and
- 3. assuming any financial loss if cost sharing commitments are not met and the sponsor does not approve of a reduction of cost sharing commitment.

E. 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. Cost sharing may be in the form of direct costs (personnel or non- personnel) or F&A costs, subject to the sponsor's restrictions.

F. 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.

G. Monitoring of Sponsored Project Expenditures

During the term of an award, the PI 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 original cost sharing agreement and are meeting all guidelines in the award grant or contract;

3. cost sharing associated with a sponsored project is reasonable, allowable, allocable, and necessary, and that 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. reporting 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, PI must notify GCA Post Award and working with them to address the change in commitment; and
7. upon closeout, providing cost share information validating any cost share reporting, and confirming the cost sharing commitment has been met, and coordinating with GCA Post Award to resolve any cost sharing discrepancies.

V. Resources/Forms/Tools

[Sponsored Project Handbook](#)

VI. References and Cross-References

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

[2 C.F.R. § 200.306](#)

VII. Revision History

Policy Contact:	Asst. Vice President, Grants and Contracts Administration
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