

**University of Central Arkansas**  
**Extramural Funding Policies and Procedures**

Policy/Procedure Name: Cost Sharing for External Grants and Contracts Submitted by: Tim Atkinson, Assistant Provost Sponsored Programs Approved by: Council of Deans 1/28/09 Council of Vice Presidents (Senior Staff)  
3/2/09 Effective Date: 3/2/09

**Purpose**

The following policy establishes the procedures for managing cost share for sponsored agreements. “Cost-sharing” shall mean the use of the University’s own resources, funds, or third-party contributions toward the total allowable costs of a sponsored project.

***Sources of Cost Share:*** First, the department and college must provide as much cost-share as reasonably possible. Second, the University of Central Arkansas (UCA) Sponsored Programs Office (SPO) will provide cost share on a limited basis from the Provost’s research support fund. Federal funds may not be used for cost-share. On rare occasions, and if the sponsor will allow, funds from intramural sources (i.e., UCA Foundation, University Research Council, Instructional Development Center, etc.) may be used as cost share.

***Affect on Facilities and Administrative Costs (F&A):*** Since cost share can reduce the overall research F&A rate, consume departmental resources, and reduce available resources for additional research and teaching for colleges and departments, all voluntary cost-share must receive approval from the Department Chair and College Dean or their designees. Mandatory cost-share usually receives precedent over voluntary cost share. In practice, voluntary cost share is discouraged, but will not necessarily be denied as long as plans are made to account for these dollars as outlined in this policy.

There are four (4) types of cost share:

**Mandatory Cost Share** is the amount of cost-share required by a sponsor as a condition of making an award. Required cost share is almost always specified in the published description of the program. When claiming mandatory cost share, the applicant will be required to present the published description of cost-share requirements to SPO before the proposal is routed for approval in Cayuse. This amount must be reflected as a direct cost to a project in the accounting record.

**Voluntary Committed Cost Share** is cost sharing the University may offer in a proposal to reflect accurately the total resources necessary to complete a project. Although voluntary in nature, the cost share is committed, and must be monitored in the accounting records the same as mandatory cost share. Examples of Voluntary Committed Cost Share include any non-sponsored expenditure that results in

total cost sharing of expenses in excess of that required in the published description of federal programs.

**Voluntary Uncommitted Cost Share** is cost sharing that is not committed or budgeted for in a sponsored agreement. It need not be tracked or reported to the sponsor. Most frequently this type of cost share is the result of cost overruns or effort of personnel in excess of that committed.

**Salary Cap Cost Share** is cost sharing which occurs when the University records effort by individuals whose salary exceeds a sponsor-imposed limit for individual salaries. (Most notably, NIH) Salary Cap Cost Sharing must be identified for effort reporting, but it is unallowable toward Mandatory Committed Cost Share.

### **Policy**

Cost sharing must be reviewed and approved when the proposal is routed for signature and again when the project is awarded:

#### (1) During Proposal Process

- a. When a grant proposal includes committed cost share, (i.e. any cost share, whether mandatory or voluntary, addressed in the proposal narrative or budget), the expenses to be shared by the department must be identified in the proposal and in Cayuse.
- b. The cost share can be provided from unrestricted departmental funds, other non-federal restricted projects, from third party contributions of cash or in-kind expense, or finally from SPO.
  - i. Unrestricted Departmental Funds - If the cost share is to be provided from departmental funds, the department involved in the cost sharing agreement is responsible for providing the cost center where the budgeted funds reside.
  - ii. Other Restricted Non-Federal Funds - If the expenses of another restricted **non-federal** project are being used for cost share, the department involved in the cost sharing agreement is responsible notifying SPO and Grants Accounting. Specific written approval from the non-federal funding source to use funds from their award as matching on another project is required.
  - iii. Third Party In-Kind Contributions - If the cost share is to be provided by a third party, that party and the type of assistance to be provided must be identified by amount and in writing.

- c. If the applicant's cost participation includes salary and fringes of UCA employees, the employee, the position, and the proposed effort contributed to the cost share must be identified.
- d. The use of "disallowed" or "unrecovered" indirect costs as cost sharing must first, be approved by the UCA Sponsored Programs Office, and subsequently, be approved by the awarding agency.

(2) After Project is Awarded:

- a. The grantee institution must maintain records of all project costs that the grantee claims as cost sharing and records of all costs to be paid by the funding agency. These records are maintained in separate accounts by Grants Accounting and are subject to audit. Grants Accounting is responsible for keeping SPO informed of the status of these accounts on a monthly basis.
- b. If the cost share is provided from department funds, the budget allocated to cost share must be committed to the cost share account (set up by Grants Accounting), shortly after receiving the notice of award. Grants Accounting is responsible for keeping SPO informed of the status of these accounts on a monthly basis.
- c. If the grantee's cost participation includes in-kind contributions, the basis for determining the valuation of volunteer services and donated property must be documented. (Grants Accounting and SPO will keep each other informed of the status of this information in a timely manner.) The department is responsible for maintaining the following documentation and forwarding to Grants Accounting at the closeout of the project:
  - i. The letter obtained from the Principal Investigator or Business Officer documenting the source of contribution to agreement.
  - ii. The basis for valuation of in-kind contributions, i.e., worksheets, surveys, time cards, etc.
  - iii. All recorded documents of in-kind expenditure by the third party.
- d. Salary commitments to a federal project in excess of the NIH maximum salary cap will be recorded as salary cap cost share to that project, and must be funded from non-federal funds by the department.
- e. Any salary contribution provided by UCA employees toward cost share requirements must be certified through the UCA time and effort certification process.

(3) Items of costs that are generally allowable as grant funded costs will also be generally allowable as cost sharing. Items of cost generally disallowed as grant funded costs, will also be generally

disallowed as costs sharing. OMB Circular A-21 is specific as to the allowability of costs on federal projects.

UCA reserves the right to turn down the grant if the Provost, Vice President of Financial Services or the President determines that the cost sharing expense is too great.

Note: This policy is subject to change with regard to federal and state agency guidelines. Modifications to any aspect of this policy may be implemented at any time, as determined by the Provost. Such modification may occur through amendment of this policy or through written notice to the deans/heads of affected units.

**SPONSORED PROGRAMS OFFICE – UNIVERSITY OF CENTRAL ARKANSAS  
PRE-AWARD COST SHARING AUTHORIZATION FORM**

(The use of this form is not required unless cost sharing is presented in your proposal to the sponsoring agency)

Date: \_\_\_\_\_  
\_\_\_\_\_

Funding Opportunity Number:

Principal Investigator: \_\_\_\_\_  
\_\_\_\_\_

Sponsoring Agency:

Proposal Title:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The proposed cost sharing is: MANDATORY \_\_\_\_\_ and/or VOLUNTARY \_\_\_\_\_

Type*	Inclusive Dates	\$ Amount	Account #	Authorizer's Name	Authorizing Signature	Name	UCA ID#	% Effort

\*Cash Matching, In-Kind, for more information see policy.

Comments:

APPROVALS: \_\_\_\_\_

Chair: \_\_\_\_\_

Date: \_\_\_\_\_

Dean: \_\_\_\_\_

Date: \_\_\_\_\_

Sponsored Programs: \_\_\_\_\_

Date: \_\_\_\_\_

(Note: For cost sharing crossing departmental and/or college lines, please fill out one of these forms for each.)