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A8.900 Accounting for Research & Training  
Office of Research Services

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A8.947     Accounting for Cost Sharing

1. Purpose

To define cost sharing and ensure that all extramurally sponsored projects which have shared costs are accounted for in compliance with regulations specified by the funding agency or prescribed by Congress in the various appropriation acts.

2. Objectives

To establish guidelines and procedures for committing, accounting, and reporting the non-Federal share in extramurally funded contracts and grants.

3. Responsibility

The Office of Research Services (ORS) is responsible for reviewing, coordinating and controlling entries into the cost-sharing system on an on-going basis and for reporting cost sharing to funding agencies. The Principal Investigator (PI) is responsible for insuring that cost-sharing commitments are realistic, well-documented, and properly approved.

4. Guidelines

a. Committing Funds

- (1) Only non-Federal funds may be used to share costs (i.e., General, Trust, or Special Funds).
- (2) In proposing cost-sharing commitments, the PI should be conservative and realistic in the effort to satisfy the

funding agency's requirements. Commitments must be commensurate with available resources and represent achievable goals. Committed cost sharing includes mandatory and voluntary cost sharing identified in the project proposal.

- Mandatory cost sharing/matching refers to that portion of the University contribution that is required by the terms of the project's Request for Proposal or Application.
  - Voluntary cost sharing refers to University initiated contributions to a sponsored project that are reflected in the proposal budget or narrative at the time of proposal submission.
- (3) If reduced contract or grant amounts are negotiated, the PI should ensure that cost-sharing commitments are reduced proportionately.

b. Allowable Grantee Contribution (OMB A-110)

Costs must (be):

- o Verifiable from University records,
- o Not included as a contribution (for cost sharing purposes) for any other federally-sponsored project,
- o Necessary and reasonable for proper and efficient accomplishment of project objectives,
- o Allowable under applicable cost principles,
- o Not be paid by the federal government under another award (except where authorized by statute), and
- o Provided for in the budget approved by the sponsor.

Note:

- (1) Grantee (UH) personnel contributions should be limited to direct personnel services (not including student help) and fringe benefits unless otherwise requested by the funding agency.

- (2) Indirect personnel costs such as those associated with executive offices, maintenance, accounting, or administration should not be committed as grantee contributions.

c. Determining Shared Personnel Costs

- (1) The grantee share for personnel services should represent the effort directly related to the project.
- (2) In accounting for shared personnel costs, an individual's "total effort" (cost-shared effort plus other UH duties such as teaching, research, or administration) cannot exceed 100% of the standard workload for that person's job classification.

5. Procedures

a. Principal Investigator

- (1) Obtains approval of the unit head for cost-sharing commitment.
- (2) Reviews and approves data entries for cost-shared items with assistance of the FO.
- (3) Updates and corrects data within the cost-sharing system as necessary.
- (4) Initiates follow up for over/under commitments.
- (5) Signs and dates Cost Sharing reports after verifying the accuracy and completeness of the report timely.
- (6) Provides supporting documentation for cost-shared amounts when necessary, such as during audits of project costs.

b. Fiscal Officer

- (1) Assist the PI in entering cost-sharing data for specific projects.
- (2) Submits Cost Sharing Record form in a timely manner, in conjunction with a Request for Account Code to ORS.

- (3) Ensure that Cost Sharing Account Summary is properly and timely certified and distributed.
- (4) Retains copies of Cost Sharing Account Summary and submits certified copies to ORS as follows:
  - (a) For terminated projects, within a timely manner but no later than the sponsor's financial reporting due date, and
  - (b) For each fiscal year ending June 30, within a timely manner.

c. ORS

- (1) Coordinates and controls data entry on an ongoing basis.
- (2) Reviews data entry forms for completeness.
- (3) Notifies FOs of the availability of Cost Sharing reports.
- (4) Notifies FO that Cost Sharing report is required for billing, if specified by the sponsor.
- (5) Ensures that the final Cost Sharing report is submitted in a timely manner.