

Prepared by Contracts and Grants Management Office  
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A8.900 Accounting for Research & Training  
Contracts & Grants

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A8.947 Accounting for Cost Sharing

1. Purpose

To insure 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. Responsibilities

The Contracts and Grants Management Office (CGMO) is responsible for reviewing, coordinating and controlling entries into the cost-sharing system on an on-going basis and for preparing cost-sharing reports to funding agencies. CGMO also reviews and approves requests for cost-sharing in the event that the costs to be shared are indirect type costs. The Principal Investigator (PI), with the assistance of the Fiscal Officer (FO), 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.
- (3) If reduced contract or grant amounts are negotiated, the PI should insure that cost-sharing commitments are reduced proportionately.

b. Allowable Grantee Contributions

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

Sharing of costs paid by another federal agreement is not allowable unless authorized by federal law.

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

c. Determining Shared Personnel Costs

- (1) The grantee share for personnel services should represent the effort directly related to the project. this guideline also applies to salaries of individuals on sabbaticals, as well as other leaves.
- (2) In accounting for shared personnel costs, an individual's "total effort" (cost-shared effort plus other U.H. duties such as teaching, research, or administration) cannot exceed 100% of the standard workload for that person's job classification. Overload for instruction is not recognizable under cost-sharing principles and cannot be considered a grantee-incurred cost.
- (3) The amount of time that a faculty member contributes toward federally funded projects can vary considerably. For contract and grant purposes, standard guidelines must be applied to

determine the amount of time faculty can cost share. It has been determined that 50% of total effort is a reasonable maximum that a full-time faculty member, assigned to an instructional department ("I" classification) and carrying a standard departmental teaching load, can attribute to cost-shared research. In view of this, the following guidelines have been established.

- (a) Faculty in the "I" category, who are assigned full time to an instructional unit, can attribute up to 50% of their time to cost-shared research.
- (b) Individuals in the "R" category, who are assigned full time to research can attribute up to 100% of their time.
- (c) Faculty on split appointments can attribute 100% of their time assigned to a research unit but only up to 50% of their time assigned to an instructional unit.
- (d) For any individual, if the total cost-sharing effort for all research projects exceeds 50% of the time assigned to an instructional department, a written justification must be submitted for approval to the Director of Research and filed with CGMO.

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 the 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 Report 1914B (Attachment A - Cost Sharing Account Summary) after verifying the accuracy and completeness of the report.
- (6) Provides supporting documentation for cost-shared amounts when necessary, such as during audits of project costs.

b. Fiscal Officer

- (1) Assists the PI in entering cost-sharing data for specific projects (Attachments B and C).
- (2) Submits Cost Sharing Record Form (Attachment B, CGMO Form 2) along with Research and Training Budget Status Input Form (see Attachment C of Administrative Procedure A8.946) and Request for Account Code (see Administrative Procedure A8.612, Establishment of Account Code) to CGMO when the contract or grant award is received.
- (3) Insures that Report 1914B, Cost Sharing Account Summary, is properly certified and distributed.
  - (a) Certifies that Report 1914B contains accurate and reasonable amounts of costs shared on a monthly basis.
  - (b) Distributes Report 1914B to PI's for their certification; verifies that all 1914B's are returned properly signed and dated.
  - (c) Distributes certified copies as follows:
    - (1) Retains a file copy for all projects;
    - (2) Sends a signed copy to CGMO within 60 days after the expiration date of the project; and
    - (3) Sends CGMO a certified copy of all Report 1914B's for each fiscal year ending June 30th.



c. Contracts and Grants Management Office

- (1) Coordinates and controls data entries on an ongoing basis.
- (2) Reviews data entry forms for completeness.
- (3) Distributes printouts as follows:
  - (a) Each month, the FO receives three (3) copies of the Cost Sharing Account Summary, 1914B, one (1) copy each of the Cost Sharing FTE Control Summary, 1915B (Attachment D), and the Cost Sharing Edit st, 1911A (Attachment E), and two (2) copies of the Departmental Cost Sharing Summary, 1915C (Attachment F); and
  - (b) Provides one (1) set of the cost sharing FTE Control Summary (Report 1915A) each month to the Office of Research Administration.
- (4) Reports cost-sharing information to funding agencies as required.