



# University of Nevada, Reno

## Office of Sponsored Projects Policy

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**Policy Title:** Institutional Sponsored Project Cost Sharing Policy

**Date:** March 2016

**Revision:** 3

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### **PURPOSE**

The purpose of this document is to provide guidance to ensure that the University of Nevada, Reno (UNR or University) properly accounts for cost sharing expenditures and does not overburden department and/or college resources and facilities and administrative (F&A) recovery. This policy applies to all units of UNR and all projects submitted by UNR. **Requests for institutional cost share from the Office of the Vice President for Research and Innovation (OVPRI) must be received by the VPRI at least three weeks prior to the proposal submission deadline.**

### **DEFINITION**

**Cost sharing** is that portion of a sponsored agreement related to cost that is contributed by parties other than the primary sponsor and not directly charged to sponsored agreement account(s). Cost share can include cash or in-kind contributions (such as the value of tuition waivers or salaries) to support a project. Cost sharing represents a legal commitment by the University to provide resources to a sponsored agreement and is subject to audit.

Three types of cost sharing are as follows:

- **Mandatory Cost Sharing** is cost sharing that is part of the proposal budget and is mandated by the sponsoring agency. This can be in the form of a specified dollar amount, a certain percentage of total costs or in-kind.
- **Voluntary Committed Cost Sharing** is cost sharing that the University contributes to a project on its own initiative and is included in the proposal budget or award. Once committed, this amount becomes a legal obligation on the part of the University.
- **Voluntary Uncommitted Cost Sharing** is cost sharing that is not committed to or budgeted for in a sponsored agreement. It need not be tracked for cost accounting purposes or reported to the sponsor, and if it arises from faculty or other personnel effort, it is excluded from separate identification in effort reporting. Voluntary Uncommitted Cost Sharing most commonly results from a cost overrun on a project or from research efforts which are over and above the effort committed to and budgeted for in a sponsored agreement. Another example would be the faculty oversight of student practicums where the specific percentage of effort for the faculty member's

time is not tracked on an individual project basis but is part of the faculty member's overall teaching responsibility.

## **GENERAL POLICY**

The UNR OVPRI is committed to enhancing the research competitiveness of UNR faculty. The OVPRI encourages and supports development and submission of proposals for large multi-disciplinary research programs and those that have a strong record of generating significant F&A and investment into research infrastructure development that will facilitate significant extramural research funding.

## **GUIDELINES**

Cost sharing (regardless of type) should only be provided when **required** by the sponsor. Because cost sharing typically involves the use of departmental and/or college funds, department heads and/or deans must approve cost share in proposals and may impose limits on the amount of cost sharing. The UNR OVPRI also reserves the right to impose cost sharing limits on proposals as situations warrant. Only after in-kind cost share from departmental and college resources is exhausted should cash cost share be considered.

The OVPRI will provide cash cost sharing only under the following circumstances: when the agency or specific program requires that cost share be provided and the documented departmental and/or college support is insufficient, if the proposal is selected in an internal competition as a UNR proposal for a limited submission solicitation, if the proposal has the potential of leading to significant external funding or if the proposal is a request for equipment which will be shared by faculty in different units on campus.

Cost sharing by the OVPRI will only be in proportion to the distribution of F&A dollars recovered under the F&A distribution policy that is in place at that time. Except under unusual circumstances as determined by the VPRI, the OVPRI will not provide cash cost share in excess of the F&A collected and retained by UNR. If an agency allows F&A costs and requires cost sharing, then a waiver of F&A costs is not an acceptable method of providing cost share. F&A recovery may be reinvested to meet the cost share requirements of the project.

When cash and in-kind cost sharing is accepted by the sponsor, it becomes a legal commitment by the University. Throughout the term of the project, the principal investigator (PI) and their college budget officer (along with oversight provided by the Office of Sponsored Projects) must maintain sufficient documentation to substantiate the actual cost sharing contribution in compliance with governmental regulations, primarily the Office of Management and Budget (OMB) [2 CFR Chapter I, Chapter II, Part 200, et al., Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule](#) (Uniform Guidance) regarding allowability, allocability and reasonableness. When cost sharing expenditures are less than that agreed to in the award document, a loss or return of project funds to the sponsor may result. In these instances, the PI's department and/or college are required to cover the deficit.

Cost sharing must meet **all** of the following criteria:

- Verifiable from the department's accounting records, including appropriate documentation for in-kind cost sharing.
- Necessary and reasonable for proper and efficient accomplishment of project objectives.
- Represents types of charges that would be allowable under the applicable cost principles and institutional policy.
- Provided for in the approved budget when required by the federal agency.
- Expended during the sponsored agreement project period.
- Not paid by the federal government under another assistance agreement (unless the agreement is authorized by federal law to be used for cost sharing).
- Not included as contributions for any other sponsored agreement.

## **PROCEDURES**

The cost sharing procedure development rests with the VPRI and the Office of Sponsored Projects (OSP). Please refer to Attachment A, Cost Share Procedures.

Cost share contributions from each unit must be documented in writing using Attachment B, [Cost Share Worksheet](#) (OSP-11). This form is available on the UNR OSP website, [Policies and Forms](#) page.

## **RESPONSIBILITIES**

All employees must comply with this policy. It is the responsibility of the dean or director to implement and maintain this policy within their college. Responsibility for resolution of issues that arise regarding this policy rests with the OVPRI and OSP in consultation with the appropriate dean or vice president.

## ATTACHMENT A

### COST SHARE PROCEDURES

When cost share is required, the following procedures are required:

1. During the proposal stage, if cost share is included in the proposal, a [Cost Share Worksheet](#) (OSP-11) must be uploaded to InfoEd and submitted to OSP along with the proposal. The OSP-11 must be electronically approved within InfoEd (via the internal proposal approval routing process) by the PI(s), chairs(s)/director(s) and dean(s)/vice president(s) of the units committing cost share. Requests for institutional cost share from the OVPRI must be received by the VPRI at least three weeks prior to the proposal submission deadline.
2. If the project is awarded and the cost share accepted by the sponsor, the project account number is added to OSP's Cost Share Report.
3. The report is updated as cost share is reported to OSP:
  - Mandatory, salary cap and voluntary committed effort must be reported in the [Effort Reporting System](#).
  - All other non-salary expenditures are reported via a cover sheet and supporting balance and activity report from Campus Advanced Systems (CAIS) that shows the expenditure.
  - Third party cost share must be reported on company letterhead and signed by an authorized company official. All third party cost share must include proper supporting documentation and be verifiable from the recipient's records.
4. All other non-salary expenditures and third party costs shall be reported as required. Cost shared salary must be reported in the appropriate effort reporting term.
5. The OSP post award grant accountant responsible for financial reporting to the sponsor will include all reported cost share in invoices and/or statements as required by the sponsor.
6. It is the responsibility of the PI to monitor cost share expenditures and the Cost Share Report statement issued monthly.

### Reporting

The frequency and formats for reporting cost share to the sponsoring agency will be dictated by the award terms and conditions or sponsoring agency guidelines. The cost share activity will be reported based on activity posted to the appropriate accounts established for this

purpose. Other documentation verified in conjunction with Uniform Guidance requirements and institutional policy will also be reported. Cost sharing required but not reported will be tracked internally.

### **Closeout**

All awards requiring cost share will be closed under the same procedures and policies as all sponsored activity. All cost share transactions must be posted to the accounting system or verified within the same guidelines as sponsor funded transactions and are subject to the same cost accounting standards and award terms.

### **COST SHARE COMPONENTS**

The following expenditures are components of cost share.

1. Effort and the corresponding salary and fringe benefit costs paid by the University to University employees.
2. Travel, equipment and material costs paid by the University.
3. F&A on costs paid by the University.
4. Unrecovered F&A on the sponsor's portion of the project expenditures, if allowed by sponsor.
5. Salary (non-University employees), travel, equipment and material costs paid by a third party.
6. Third party donated space.

### **THIRD PARTY COST SHARE**

In addition to University resources, it may be permissible to utilize expenditures by a third party for cost share. Third party expenditures must be properly documented and valued. It is the responsibility of the PI to obtain proper documentation of third party cost share and provide it to OSP as required by project terms.

All third party cost share must be valued based on reasonableness given the type of third party service provided and properly documented as follows:

#### **Third Party Cost Share – Corporate or Non-Profit**

- Employees must have timesheets documenting time worked on project that is contemporaneous with work performed.
- Fringe is only allowable if actual cost is noted and based upon percentage of pay.

- F&A or overhead is not permitted.
- Non-salary costs must have receipts and/or valued based upon industry standard methodology and allocable percent, e.g., space valued at current rental rates and on percent usage on project.

### **Third Party Cost Share – Private Individual**

- Volunteers must have logs showing when they worked on the project.
- Volunteer rates of pay must be consistent with those paid for similar work in the labor market.
- Fringe and F&A or overhead is not permitted.
- Non-salary costs must have receipts and cover memo from authorized signer.

### **Third Party Donated Space and Equipment**

- Value of space and equipment must be based upon percentage of use associated with the project.
- Base value must be determined annually based upon comparable market rates or some other consistent methodology.

### **ELIGIBLE EXPENDITURES**

All expenditures used to meet cost share obligations must comply with the following:

1. Verifiable from the recipient's records.
2. Necessary and reasonable for proper and efficient completion of the project's scope of work.
3. Allowable under the applicable cost principles.
4. Documented in the approved budget when required by the sponsor.
5. Expended within the time frame of the project.

Failure to meet the cost share obligation can result in a disallowance of costs paid by the sponsor. The sponsor can reduce their support and/or require reimbursement if the University fails to provide all promised cost share and properly documented cost share.

The method for meeting the cost share obligation can vary by project. Pls must maintain oversight of all cost share obligations from all sources.

## **INELIGIBLE EXPENDITURES**

The following expenditures are not eligible to be used in meeting cost share obligations.

- Costs incurred outside the start and end dates of the project.
- Costs already used to match another project or other institutional purpose.
- Restricted or unallowed expenses under the Uniform Guidance such as entertainment or food costs.
- Costs that do not benefit the project.
- Administrative and clerical salaries, office supplies, memberships, subscriptions, etc., unless these costs have been fully justified and approved by the sponsor in advance.
- Existing space, facilities, equipment, supplies and utilities.

## ATTACHMENT B

### COST SHARE WORKSHEET (OSP-11)

University of Nevada, Reno Cost Share Form OSP -11.  
Submit this form with a completed Transmittal (OSP-1).

Proposal Title:

Investigator(s) Name(s):

- Cost Share Type:
- Mandatory - Required by the sponsor. Please attach documentation supporting the requirement.
- Voluntary - Offered by the investigator(s)

Cost Share value based on:

- A percentage of total award. Indicate percentage.
- A ratio of expenditures. Indicate the ratio. (Example 1:2)
- A specific dollar amount. Indicate dollar amount.
- A Partial or Full Waiver of F&A costs. Indicate F&A percentage to be charged on sponsors portion of award.
- Other \_\_\_\_\_

  
  
  
  


Please complete the table below to indicate the University expenditures will be used to satisfy the cost share commitment. Any expenditures reported as cost share must be for the sole purpose of completing the scope of work and cannot be used for any other Institutional objective. Expenditures must come from non-sponsored accounts, unless approved by the sponsor(s).

Budget Item	Amount	Source	Account Number
Salaries		<input style="width: 100%; height: 20px;" type="text"/>	
Fringe Benefits		<input style="width: 100%; height: 20px;" type="text"/>	
Operating		<input style="width: 100%; height: 20px;" type="text"/>	
Contractual		<input style="width: 100%; height: 20px;" type="text"/>	
Tuition		<input style="width: 100%; height: 20px;" type="text"/>	
Equipment		<input style="width: 100%; height: 20px;" type="text"/>	
Travel		<input style="width: 100%; height: 20px;" type="text"/>	
Other		<input style="width: 100%; height: 20px;" type="text"/>	
<b>Total Direct Costs</b>			
<b>Modified Total Direct Costs</b>			
F&A Costs on Cost Share Calculation: (Modified Total Direct Costs from cell above) X (applicable F&A rate from Section E on Proposal Transmittal) = F&A on Cost Share			
<b>F&amp;A on Cost Share</b>			
F&A Waiver Calculation: ((Full institutional rate applicable to project) - (Requested F&A rate)) X (Eligible budget lines from sponsor portion) = Unrecovered F&A Cost			
<b>Unrecovered F&amp;A</b>			
<b>Total Cost of UNR Cost Share</b>			

	Investigator	Chair/Director	Dean
Signature			
Printed Name/Date			
Signature			
Printed Name/Date			
Signature			
Printed Name/Date			