



Tuesday Tips is a new outreach effort by OGCA. The idea behind *Tuesday Tips* is to convey tips, tricks and other helpful information around the area of research administration. Our goal is to post on (almost every) Tuesdays. If there is something you would like to see covered on *Tuesday Tips*, email: UAF-GCReATE@alaska.edu. For more Tips visit [OGCA website](#).

Cost Sharing

Cost sharing also known as matching is the portion of the project expense borne by the university and not by the sponsoring agency. It includes all contributions, including cash and in-kind, that a recipient makes to an award. Shared costs are typically paid from departmental or discretionary funds or provided by a third party

There are three types of cost sharing:

- *Mandatory cost sharing*. Costs that the university must contribute toward the project in order for an award to be made.
- *Voluntary committed cost sharing*. Costs associated with a project and identified in the proposal, for which funding is not being requested from the sponsor.
- *Voluntary uncommitted cost sharing*. Any cost associated with a project and not funded by the sponsor, which has not been identified in the

proposal, or in any other communication to the sponsor as a commitment of the university.

Mandatory or voluntary committed cost sharing must be disclosed to the sponsor in the proposal. (Note that the National Science Foundation has specific policies prohibiting voluntary committed cost sharing in proposals. Refer to the NSF Grant Proposal Guide when submitting proposals to this agency.)

Cost sharing disclosed to the sponsor in the proposal constitutes a promise that university funding will be provided to directly support the project. Once an award is made, the cost sharing documented in the proposal becomes a binding commitment.

According to the Uniform Guidance, voluntary committed cost sharing cannot be used as a factor during the merit review of proposals. UA/UAF strongly discourages cost sharing unless such a commitment is required by the sponsor.

If cost sharing is mandatory, this must be noted in the request for proposals issued by the award agency. The PI and department administrators are responsible for identifying the accounts that will pay for cost sharing, and for ensuring that those costs are tracked and reported properly.

Using unrecovered indirect costs (when solicitation limits recovery of indirect costs to less than the full negotiated rate) to offset a cost share component in proposals that require mandatory cost sharing requires agency prior approval. If unrecovered indirects are included in proposal budgets, they must be specifically requested in the budget justification section.

Failure to fulfill the cost sharing obligation may result in the reduction of the amount of the sponsor's award.

Per federal regulations, cost-shared expenses must meet the same criteria as direct-charged expenses:

- Readily verifiable in the university's records (i.e. ledger expenses) or documented in writing, if provided by a third party.
- Necessary and reasonable to achieve the project objectives.
- Allowable under applicable cost principles.

- Not paid by another award, except as specifically authorized by the agency.
- Provided for in the approved budget when required by the awarding agency.
- Incurred within the performance period of the award

Tracking, reporting, and certifying cost sharing

The PI, departmental administrative staff, and OGCA share responsibility for tracking, reporting and certifying cost-shared expenses.

Pre-award:

The PI prepares a cost share pledge by:

- Clearly documenting cost sharing in the proposal budget justification.
- Omitting from the proposal text any normal university resources necessary for the project which are not offered as voluntary committed cost sharing. If deemed necessary, this type of information should be narrative in nature and must not include quantifiable financial information.
- Obtaining signed documentation from each funding source that has promised to contribute. Letters of funding commitment from third parties must be on the contributor's letterhead.
- If the contribution is from the university, a signed letter from the chancellor, provost, dean/director or the authorized official's signature is acceptable.
- Submitting all signed documentation with the proposal package to OGCA

Post-award:

- Department administrators are responsible for recording and tracking cost share expenses. The PI is responsible for ensuring that all cost share contributions are captured correctly and that cost sharing obligations are met in a timely manner.

Notify OGCA immediately if there is any possibility that a cost sharing commitment will not be fulfilled. This includes situations in which a PI transfers to another institution during the performance period of a project, because the sponsor may hold UAF responsible for fulfilling all, or a proportionate share, of any cost sharing commitment associated with the project.

The PI and/or the department administrator must finalize and approve cost share contribution reports so that OGCA can submit the cost share data to

the sponsor in accordance with the reporting terms defined in the award agreement.

For additional information visit the [OGCA website](#).