

# STOCKTON UNIVERSITY



## PROCEDURE

### **Grants and Contracts Cost Sharing (Matching)**

Procedure Administrator: Controller

Authority: OMB Circulars A-133, A-21, A-110

Effective Date: April 7, 2014

Index Cross-References: Procedure No. 6701 – Grants and Contracts Cost Transfer

Procedure File Number: 6700

Approved By: Herman J. Saatkamp, Jr., President

#### Purpose of the Procedure:

The purpose of this procedure is to provide direction and a process for proposing and contributing cost share or cost matching funds on externally funded grants and contracts. This procedure provides guidance to ensure best practices in fiscal management of grants and contracts and to meet requirements of sponsors' terms and conditions, federal and state regulations, and University policies and procedures.

#### Procedures:

##### *Pre-award (Proposal Stage):*

Cost sharing utilizes University resources, and as such requires approval from the appropriate offices prior to the submission of a proposal to an external funder. Cost Share and a funding source must be identified on the transmittal and approval form. The following criteria should be met for resources to be considered cost share:

- The actual expenditure is verifiable
- Expenses are not included as cost share on another grant or contract
- Expenses are necessary and reasonable for the project and are directly related to the project
- Expenses are allowable and allocable on the project
- Expenses are not funded by another grant or contract - without agency approval
  - Please note that federal funds cannot be used to pay for cost share expenses
- Expenses are incurred during the performance period of the project

It is the Project Director's/Principal Investigator's (PD/PI's) responsibility to identify cost sharing resources prior to proposal submission and for obtaining the approving signature of the Dean/Budget Unit Manager for each funding source identified on the internal transmittal and approval form.

*Post-Award (After an Award is made):*

If cost share or match is included in a proposal that is funded by a sponsor, the University becomes obligated to the commitment in the proposal and is required to document the cost share. Cost share expenses must be separately budgeted and recorded in grant match funds. It is the responsibility of the PD/PI to ensure that the appropriate cost share expenses are recorded in the grant match fund and the cost sharing commitment is fulfilled within the performance period of the award. Salaries should be charged to the appropriate accounts as the work is performed on the project. If the need arises for expenses to be transferred to a cost share fund after the original posting date, the University's Cost Transfer Procedure should be followed.

At the time of the award, it is the responsibility of the PD/PI to provide information on the source of funding for the proposed cost sharing commitment to the Grants Office via the Cost Sharing Approval Form. This form will contain the following:

- The source of funding for the cost share (including Banner FOAPL)
- Detailed cost share budget
- Approval signatures associated with the funding sources (Dean/Budget Unit Manager)
- PI's signature-certifying that (s)he understands the cost sharing responsibilities

Once information is received from the PD/PI, the Grants Office will include a grant match budget with the award set-up package that is sent to the Controller's Office. The Controller and Budget Offices will then create match funds and establish the budget in Banner Finance in accordance with the award budget at the same time the award fund is created. To avoid delays in award and cost share fund set up, the source of cost share funding should be provided in the original proposal transmittal. The school/department will charge all cost sharing expenses to the match funds as they are incurred. Expenditures charged to grant/contract funds and the cost sharing funds should generally be recorded at the same rate.

The PD/PI is responsible for ensuring appropriate expenses are recorded timely and accurately in the grant fund and corresponding cost share fund throughout the life of the project. It is also the PI's responsibility to ensure that the charges are allowable, allocable, reasonable and necessary for the project and that the cost share commitment is fulfilled within the performance period.

It is the responsibility of the Controller's Office to ensure the accurate inclusion of cost share information on financial reports and invoices as required by the sponsor.

### Allowable Cost Share Expenditures:

#### *1. Personnel*

Personnel cost sharing should post to the match funds by updating an employee's labor distribution with a labor distribution change request form. If personnel costs need to be transferred retroactively the University's Cost Transfer Procedure should be followed.

#### *2. Non-Personnel*

Non personnel costs should be charged to the grant match funds directly. If the need arises for an expense to be moved to the cost share fund after the original posting, a cost transfer request form will need to be completed and submitted, following the Cost Transfer Procedure for the University.

Examples of Non-Personnel cost sharing expenditures and conditions for them to be qualified as cost share are:

- Tuition – Allowable when considered part of compensation for work needed to complete project.
- Equipment – Equipment purchases should only be proposed as cost share on a grant or contract when the equipment is essential to the project because these purchases or donations that are proposed as cost share become tied to the project and therefore are unavailable for general use during the life of the project.
- Facilities & Equipment Usage-Allowable if the usage of the facilities or specialized equipment is essential in the completion of the project. Each time a facility or specialized equipment is utilized for a grant or contract the University's standard form will be completed and certified by the PD/PI.
- Other Direct Costs–Non-capitalized equipment (under \$5,000) and supplies purchased for the sole use on the project, but not paid for with the funding are allowable to be proposed and reported as cost share.
- Indirect Costs – When direct costs are cost shared, indirect costs are cost shared also. Waived or reduced indirect costs may be proposed as cost share as long as the sponsor's guidelines allow it.

## Un-allowable Cost Share Expenditures:

### *1. Unallowable costs in A-21*

Costs that are defined in OMB Circular A-21 as unallowable to be directly charged to a grant or contract are also unallowable to be charged and reported as cost share for a grant or contract.

### *2. Expenditures on a federally funded grant or contract*

If an expense is charged and recorded to a federally funded grant or contract, the expense cannot be proposed in another grant or contract. Expenses paid for with federal funds are not eligible to be proposed as cost share or match on another grant or contract. Costs charged to a non-federal grant or contract may be used as cost share on a federal award if the costs support activities within the scope of the project.

## Approval History:

	Date
President	4/07/14