

Cost Sharing 101

Why we are here:

The Sponsored Programs Grants Administration Office is requiring all grants received by the College of Education to have either salary recovery (direct charge) or cost sharing submitted with the Proposal Clearance Form (PCF). The reasoning is that someone at some time is working on the grant and exerting effort.

Cost Sharing Defined

- Cost sharing is also known as a matching or in-kind contribution. “In-kind” means obligation of costs already incurred by the University. For example, a faculty member’s salary will be paid regardless of whether or not this proposal is funded. However, if the proposal is funded, a certain portion of that salary will be dedicated to time and effort on the project and will comprise cost sharing if not directly paid by the project. In-kind cost sharing also includes non-cash contributions to sponsored projects including donations of equipment and supplies or effort contributed by individuals not paid by the institution.
- (from section 3.9 of Research Handbook)

How do you Know when to Cost Share?

- During some point in the grant proposal process you will become aware from either the sponsor, Research Office or Grants Admin that this particular grant requires cost sharing.
- Review of PCF
- Grant detail budget to determine who/what was cost shared

PCF

18. BUDGET a. If a renewal, continuation or supplement of an existing grant or contract, please indicate previous PCF number: _____

b. Department ID for budgeting/expending if awarded: _____

c. Entire Proposed Budget Period (Month/Day/Year): From: ____/ __ / ____ To: ____/ __ / ____

d. Requested from Sponsor (list ALL direct costs)	Budget Pool	f. UofL Cost Share	Speed Type
_____ Salary & Wages.....	511000	_____	_____
_____ Fringe Benefits.....	512000	_____	_____
_____ Equip ≥\$5K per item	190000	_____	_____
_____ Alteration/Renovation ≥\$100K.....	190000	_____	_____
_____ Subcontracts.....	519000	_____	_____
_____ Supplies & Expense.....	519000	_____	_____
_____ Travel.....	535000	_____	_____
_____ Tuition.....	520000	_____	_____
e. _____ Total Direct Costs		_____	_____

g. EXCLUSIONS to TDC Base (direct costs included in 18d above that are not subject to F&A)

- _____ Equipment ≥\$5K per item (190000)
- _____ Alteration/Renovation ≥\$100K (190000)
- _____ Off-Site Rental (519000)
- _____ Patient Care (519000)
- _____ Subcontract amounts in excess of first \$25K on each (519000)
- _____ Tuition (520000)
- _____ Other _____

h. _____ Total Exclusions

i. _____ Modified TDC Base (18e TDC minus 18h exclusions)

j. F&A (Indirect Costs)
 _____ F&A Rate ____%577000 _____

k. Total Cost of Project
 (sum of direct costs on 18e plus F&A costs on 18j)
 _____ TOTAL Costs _____

Action Steps to Fund Cost Share

When you have cost sharing on a grant:

Step 1: Contact Director of Finance (currently Barbara Bishop) and request that they prepare a Budget Revision Request (BRR). Send them the name of the individual(s), salary and benefits to be cost shared, and speedtype as listed on the PCF and/or detailed grant budget.

See BRR Request Spreadsheet designed by Barbara Bishop.

Step 2 : Watch for BRR to post to speedtype.

PI-01 – Budget Adjustments (all)

Steps Cont.

Step 3 – Prepare a JV to fund the cost share. This will move the cash to the cost share budget. Use Cont 3B report.

The following is the Policy and Procedure for Sponsored Programs, 7-1-04

II. Procedure For Policy

When award notification is received, the Project Director (PD), through their appropriate Department/ Unit, provides the Controller's Office with a Journal Voucher (JV) Form to transfer funds from a budgeted general fund source or otherwise unrestricted source to the new cost share speedtype. The transfer will charge (debit) the non-grant, general fund source speedtype using account 573000 and will credit the cost share speedtype using account 473000.

This transfer will move available cash from the approved funding source to the new cost share speedtype.

It is important to note that a 573000 expense transfer will treat the amount transferred as an expense of the program and will reduce the budget balance available in that general fund program's 500000 account pool. If the cost share involves salary and fringe benefits from the general fund program, a budget revision must be processed to move the appropriate budget amounts from salary (511000 pool) and fringe benefits (512000 pool) to the S&E (500000 pool) of that program. To accomplish this, the department must process a Budget Revision Request (BRR) through Budget and Financial Planning.

Once the cost share speedtype is established, the PD must ensure that appropriate expenses are charged to that cost share speedtype in accordance with University policy and applicable federal regulations.

JV

MONTH:		UNIVERSITY OF LOUISVILLE		SAVE LOCATION:	
		PEOPLESFT			
SOURCE:		JOURNAL VOUCHER v16.2.16			
		ORIGINATING DEPT:			
		PREPARED BY/ DATE:			
		APPROVED DEPT:			
		APPROVED BY/DATE:			
SPEEDTYPE	ACCOUNT NUMBER	DESCRIPTION	DEBIT AMOUNT	CREDIT AMOUNT	REFERENCE
0xxxx	573000		0.00		
CSxxxxx	473000			0.00	
Add 5	Add 25	Verify Voucher			
DESCRIPTION:	To fund Cost Sharing for grant				
<p>This Journal Voucher form should be sent to the General Ledger Service Account (glsystem@louisville.edu) with supporting documentation. Please allow 4 to 5 business days for your entry(ies) to appear in the system. Please contact glsystem@louisville.edu with any questions.</p>					
<p>If Speedtype is a Sponsored Program, the Cost Transfer Justification form must be completed and attached. This form should be completed and sent to Sponsored Programs Financial Management (grntmgmt@louisville.edu) for approval.</p>					

Steps contd.

Step 4: Watch for JV to post.

Step 5: Send an email to Dean's Office (currently Kenneth Allen) to charge effort/salary to cost share speedtype. Include name of employee, dollar amount, percentage of effort, speedtype (CSxxx) and timeframe to start and stop.

Step 6: Watch for salary to charge cost share

Review

When you are informed of cost sharing on a grant that you will be reconciling:

1. Request BRR through Dean's Office using spreadsheet
2. Watch for BRR to post using PI-01
3. Prepare a JV to fund the cost share
4. Watch for JV to post using Cont-03B
5. Send an email to Dean's Office (currently Kenneth Allen) to charge effort/salary
6. Watch for salary to charge cost share