

Guide to Cost Sharing for Sponsored Programs

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The online version of this guide is available at <http://arc.osu.edu>

Overview

Prerequisite Training on Cost Sharing Documentation

Research administrators must have a working knowledge of Ohio State's Administrative Systems (Financials and Human Resources/Student Information System) to accurately and efficiently account for cost shared expenses. Registration for the appropriate training is [available](#).

This resource provides an overview of the procedures used for recording cost shared expenditures on sponsored projects at The Ohio State University.

Cost sharing is the portion of the cost of a sponsored project paid by a source other than the sponsor, for example the university and/or other outside sources. Cost sharing can be direct costs, the associated facilities and administrative (F&A) costs, and/or when permitted by the sponsor the portion of F&A costs not paid by the sponsor (unrecovered F&A costs). This guide describes the:

- Various types of cost sharing.
- Roles and responsibilities of principal investigators (PIs), research administrators, and Office of Sponsored Programs (OSP) staff members for identifying, budgeting, approving, charging, and reporting cost sharing on sponsored projects.
- Process for recording cost shared expenses on a sponsored project.

It is important to realize that whether cost sharing is required by the sponsor or is offered by the university on a voluntary basis, once an award is made, all cost sharing commitments included in a proposal and/or the award document become binding obligations of the university and must be documented.

- The level of voluntary cost sharing should be both reasonable and prudent, considering the PI's other commitments of time and the university's intent to recover the full cost of a sponsored project. Excessive cost sharing can also have the effect of reducing the university's F&A cost rate.

Cost sharing requirements are described in the Code of Federal Regulations (CFR); formerly, these regulations were contained in the Office of Management and Budgets (OMB) circulars A-21 and A-110. The complete titles and links for these regulations are:

- Cost Principles for Higher Education – [2 CFR Part 220](#)
- Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations – [2 CFR Part 215](#)

Although these regulations only pertain to federal awards, federal policy also states that the university must treat similar costs in a similar manner; thus the university's general practice is to handle cost sharing consistently for both federal and non-federal sponsored projects. Failure to properly document cost sharing may result in audit findings that could result in disallowances that have to be refunded to the sponsor.

Requirements for Allowable Cost Sharing on Federal Awards

The Code of Federal Regulations (CFR) requires that contributions, including cash and/or third party, meet the following criteria in order to be acceptable as cost sharing:

- Pass the same tests for allowability as federal sponsor's funds – if the sponsor will not allow its funds to be used in particular ways, then neither can cost shared expenses. For example, when the type of expense is allowed as a direct cost to the project, it is generally acceptable to record the expense as cost sharing on that project.
- Be readily verifiable from the university's records.
- Not be from another federal award, except where authorized by Federal statute to be used for cost sharing or matching.
- Not be used as cost sharing on any other federally-assisted project or program.
- Be necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Be clearly indicated in the project budget, except in the case of modular grants or other funding mechanisms that do not require a budget breakdown.

Some common examples of cost sharing include:

- Effort of faculty or senior researchers, including benefit costs, devoted to a sponsored project and included in a proposal but for which compensation is not requested. Cost shared effort must be directly related to the project's objectives and usually does not include time spent on administrative or instructional activities (unless directly related to the project's objectives).
- The purchase of project equipment that has been identified in the proposal and for which full funding from the sponsor has not been requested and is specifically allowed in the program guidelines, e.g., instrumentation programs. Typically university equipment made available for a project is not counted as cost sharing.
 - In lieu of committing equipment as cost sharing, equipment made available by the university to the project may be characterized in the proposal budget notes or narrative as: "available for the performance of the sponsored agreement at no direct cost to the sponsor."
 - However, if the equipment is part of a specialized research facility and the university business office has established an approved recharge rate for that facility, then any costs for the use of the facility that are not paid for by the sponsor can be used as cost sharing. Likewise, donations of equipment or the use of specialized equipment owned by third parties (e.g., in kind contributions by a private company) can be used as cost sharing, as long as the contribution is clearly documented in writing from the third party.
- Supplies and services that can be readily identified as being used for the project, but not charged to sponsor.
- Third party contributions or donations (including volunteer services) to a project as long as they are in direct support of project activities. Please note that outside of a formal subaward relationship, employee services donated by a third party should include the employee's normal rate and must be clearly documented in writing from the third party.
- Graduate student tuition not paid by sponsor.

- When direct costs are cost shared, the associated F&A costs are automatically cost shared. This cost shared F&A should be included in the proposal budget if the program requires cost sharing.
- Unrecovered F&A costs for projects when the sponsor does not pay the full F&A rate, with the approval of the sponsor.

Unallowable Cost Sharing

Some examples of typically unallowable cost shared expenditures include:

- Expenditures typically treated as F&A costs by the university, such as administrative salaries, office supplies, dues and memberships.
- University facilities such as laboratory space and equipment.
 - However, as was previously stated, if the equipment is part of a specialized research facility and the university business office has established an approved recharge rate for that facility, then any costs for the use of the facility that are not paid for by the sponsor can be used as cost sharing.
- Costs which are generally not allowable on a sponsored project, e.g., alcoholic beverages and entertainment.
- Cost which would not be allowed as direct costs on a grant, e.g., dues and memberships in professional organizations.
- Expenditures incurred before the project start date or after the project end date, except where permitted by the sponsor.
- Costs associated with other projects for which no technical relationship can be demonstrated between the projects.
- Any other costs defined as unallowable by the CFR.

Types of Cost Sharing

Mandatory Cost Sharing (Matching Funds)

Mandatory cost sharing is required by statute, terms of the program, or other sponsor policy. “Mandatory” refers to those costs that are required to be contributed by the university as a binding condition of the award.

If cost sharing is required by the funding agency, the level and types of contributed support are specified in the program announcement. In some cases, the applicant must provide an amount equal to the sponsor’s funds, i.e., a one-to-one match. In other situations the sponsor will specify a percentage of participation in such costs (e.g., sponsor will provide funds not to exceed 80% of total project costs).

Voluntary Cost Sharing

Voluntary cost sharing designates contributed costs included in a proposal, even though there is no specific sponsor requirement. In general, university resources should not be offered unless required; however, there are disciplines and sponsors where such voluntary cost sharing may enhance the competitiveness of proposals. Voluntary cost sharing commitments in a proposal that is funded become a condition of the award agreement and must be fulfilled.

Sources of Cost Sharing Funds

Cash

Any contributions that use university funds are considered cash cost sharing for the purposes of documentation and reporting.

In-kind or Third Party

In-kind contributions are “donations” of services (professional, technical or consultant), supplies, equipment or cash from a source outside the university. These third party contributions must be integral to and necessary for the project or program, and their value must be reasonably determined.

Cost Sharing at Proposal Submission

The following list describes some of the requirements when preparing a proposal budget that contains cost sharing.

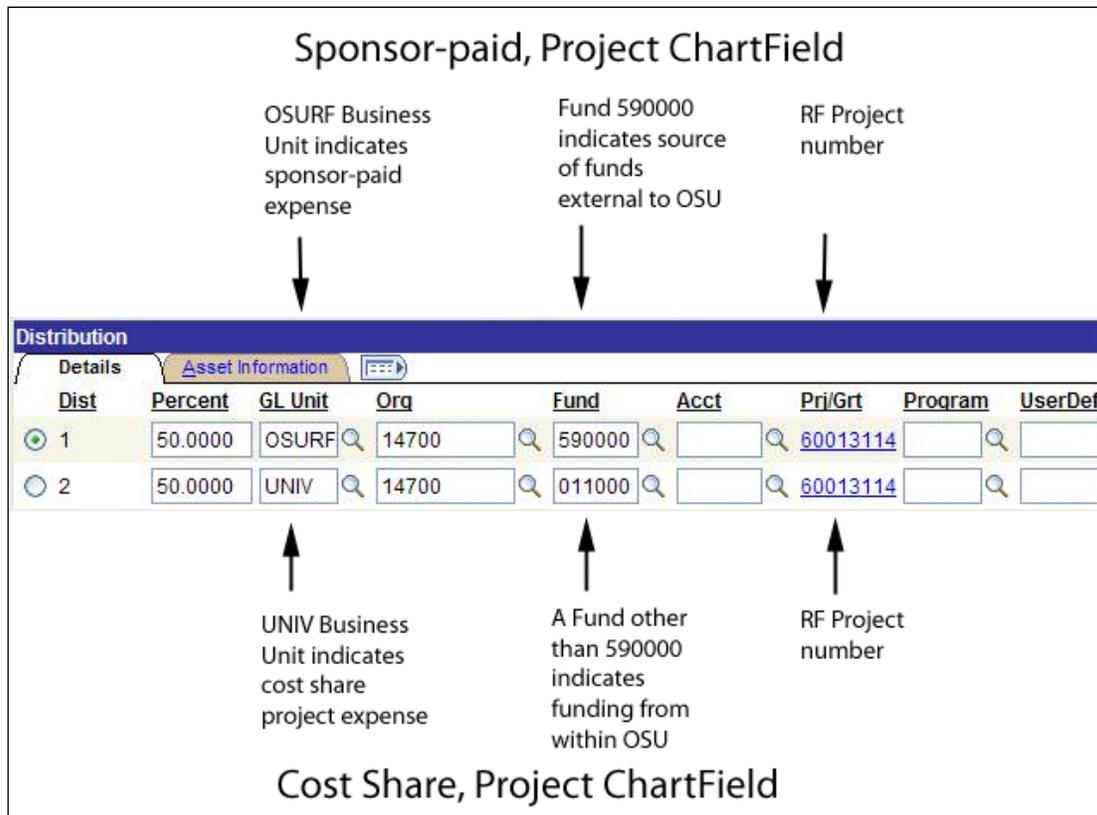
- Include mandatory and voluntary cost sharing in proposal budget and justification.
- Indicate that cost sharing is included in the proposal on the “Authorization to Seek Off Campus Funds” form (ePA-005).
- Obtain letter of support/commitment showing any cost sharing commitments from third parties.
 - During the proposal development and submission process the PI forwards any in-kind contribution documentation to the department administrator, as appropriate.

Roles and Responsibilities

Recording cost shared expenses is a team effort. It is important that communication take place among the PI, department/college administrators, and Office of Sponsored Programs (OSP) staff members after receipt of the award to clarify roles and responsibilities. This will ensure that all cost sharing is appropriately documented throughout the life of the award.

- PIs include cost sharing in proposal budget and justification and record cost sharing amounts on the “Authorization to Seek Off Campus Funds” form (ePA-005). Also, PIs authorize, initiate, and monitor all cost shared expenses, including the accumulation of all back-up documentation for any third party in-kind contributions and send copies to department/college administrators as appropriate. PIs work with department/college administrators to ensure that both personnel and non-personnel expenses are documented as cost sharing.
- Department/college human resource professionals (HRPs) process personnel appointments using the Job Earnings Distribution (JED) row of the Job Data page. HRPs also process personnel expenditure transfers (PETs) in the Human Resources/Student Information System (HR/SIS).
- Department fiscal officers (individuals with access to the university’s General Ledger) generate journal entries which workflow to OSP Financial Services department for approval. They also send any third party cost sharing information to the OSP Fiscal Services staff for posting.
- Department delegated requisitioners/ buyers process requisitions/purchase orders for cost shared materials and supplies.
- College senior fiscal officers assist PIs and/or department administrators with processing cost sharing transactions.
- OSP staff members also assist with processing cost sharing transactions in the following ways:
 - Sponsored program officers (SPOs) are available to answer questions about sponsor and program requirements.
 - Fiscal Services staff generate sponsor invoices and financial reports that include documented cost sharing information. These are typically required by a sponsor in order to reimburse expenses.
 - Financial Services staff approve journal entries generated at the departmental level and review and post third party cost sharing.
 - Purchasing staff process split-funded purchase orders and/or other cost shared purchases.
 - Accounts Payable staff process payments to vendors and/or reimbursements ensuring that designated costs are split among university departments and/or the sponsor.

Designating Costs as Sponsor-paid or Cost Shared in the University's General Ledger



The ChartFields shown above consist of a sequence of values used to identify financial transactions in Ohio State's Administrative Systems. The ability to use different ChartField combinations provides increased flexibility in data gathering and reporting. For example, recording an expense as cost sharing on a sponsored project requires the use of:

- GL (General Ledger) Unit of "UNIV"
- Any fund except "590000" and hospital funds beginning with "H"
- A valid OSP project number

ChartField values (or segments) include:

- **GL /Business Unit** indicates a major division of the university. The Financials System uses three business units: OSURF, UNIV and OSUMC. The Human Resource/Student Information System (HR/SIS) only uses one Business Unit – UNIV. *All cost-shared transactions have Unit = UNIV.*
- **Org (Organization/Dept ID)** identifies the area associated with/responsible for a financial transaction (e.g., 14000, College of Engineering).
- **Fund** records the source and use of money used in a transaction. *Cost sharing is identified by a fund number other than 59xxxx.*
- **Acct (Account)** identifies the type or category of a transaction (e.g., nine-month faculty salary, laboratory supplies). OSURF and UNIV expense account numbers start with “6” and have five digits.
- **Project** identifies OSURF sponsored projects, as well as other UNIV or OSUMC projects that have specific start and end dates. *All cost shared transactions must have an OSURF project number associated with them.*
- **Prog (Program)** records any multidisciplinary activities or other department-specified initiatives. Program values do not have definite start and end dates and are an optional value.
- **UserDef (User Defined)** identifies any financial reporting requirement not covered by other ChartField segments. User defined values are displayed on eReports and are an optional value.

Personnel Appointments

A common university contribution is the cost of some or all of the effort that faculty members commit to the project but for which they do not charge the sponsor. The non-sponsor charged effort is documented with a cost shared project appointment in the HR/SIS.

Process Overview

1. The PI initiates the personnel appointment by communicating with the departmental/college human resource professional (HRP). The PI informs the HRP what percentage of the appointment should be charged to the sponsor (if any), what percentage should be cost shared, and the period for which the appointment is effective.
2. The HRP processes the personnel appointments in the HR/SIS – Job Data page.
3. This example illustrates the job earnings distribution (JED) for a personnel appointment. The highlighted row #3 represents a cost shared appointment; note the non-changeable default value of “UNIV” as the business unit, a “Fund” value other than 590000, and a valid OSURF project number.
 - a. This example illustrates the following JED. Above each ChartField/Job Data row is the Funding Percent
 1. First JED row is a sponsor paid project appointment = 25%
 2. Second JED row **is not a project** appointment = 25%
 3. Third JED row is a cost shared project appointment = 50%

Effective Date: 08/25/2008 Effective Sequence: 0 Job Indicator: Primary Job
 Action / Reason: Ems Dist Earnings Distribution Change Current

Standard Hours: 40.00 Work Period: W Weekly
 Compensation Rate: 3,466.00 USD Comp Freq: M Monthly

*Earnings Distribution Type: By Percent

Job Earnings Distribution Find First 1-3 of 3 Last

Release Time Project End Dt 08/31/2008

*Earn Code REG Regular Funding Percent 25.000 Amount

Unit Org Fund Account Acct Function Project Program User Def BY

UNIV 55100 590000 60044 60002259 ITS ALL

Release Time Project End Dt 08/31/2008

*Earn Code REG Regular Funding Percent 25.000 Amount

Unit Org Fund Account Acct Function Project Program User Def BY

UNIV 55100 530801 60044 UNIV ALL

Release Time Project End Dt 08/31/2008

*Earn Code REG Regular Funding Percent 50.000 Amount

Unit Org Fund Account Acct Function Project Program User Def BY

UNIV 55100 011000 60044 60002259 15079 CS ALL

Personnel Expenditure Transfers (PETS)

Regular monitoring of sponsored program personnel appointments (at least monthly) helps to ensure timely entry of personnel transactions. Occasionally it is necessary to correct personnel transactions for a prior time period. A good example for entering a personnel expenditure transfer (PET) would be that the project number was not available at the time the personnel transaction was processed.

This “Sponsored Project PET” page, from the HR/SIS, shows how to change the salary distribution for personnel appointment from a university expense to a sponsored project, cost shared expense.

Sponsored Project PET

Person ID:

Last Confirmed Pay Check Gross: 4167.00 Last Confirmed Pay End Date: 05/31/2009

PET Data											
Entry Date		01/23/2009		*Percentage Effort		26.09					
*Begin Date		12/01/2008		*End Date		12/31/2008		Reg Pay 4167.00 Amount 1087.04			
From Account Code:		Unit	*Org	*Fund	*Account	MedCtrAcct	Func	Project	Program	UserDef	BY
UNIV		08920	08920	012100	60044						ALL
To Account Code:		Unit	*Org	*Fund	*Account	MetCtrAcct	Func	Project	Program	User Def	BY
UNIV		08920	08920	012100	60044			60000xxx		CS	ALL
Long Description: Exact amount of transfer should be \$1087.04. Project number being added to indicate cost share per R. Smolko. kgd 5-3718 updated amt per dept. LK											
Why was this expense originally charged to chart field from which it is now being transferred? Project number was not available when personnel transaction was processed.											
Why should this charge be transferred to the proposed receiving sponsored project? Project number is now available.											

Personnel expenditure transfers on sponsored projects are edited based on the date of entry, the date of the transfer and the end date of the project. There are edits in the HR/SIS that review this information before allowing the PET to be saved on the project. The dates on PETs on sponsored projects are very important in the calculation of an employee’s effort report (E-Cert).

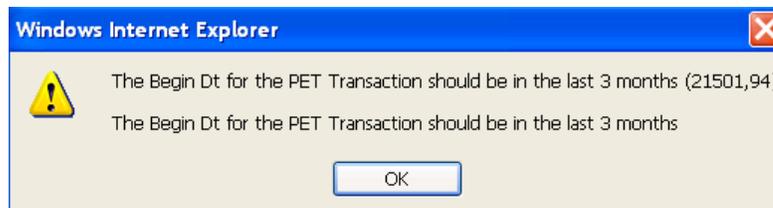
The HR/SIS generates the following message when attempting to enter a PET between 61-89 days after the project end date.



When this message appears, the department HRP sends an email to the SPO requesting that the project status be temporarily changed to “opened” to process the PET. An appropriate reason for processing the PET needs to be included with this request.

The SPO determines the appropriateness of the request and seeks approval from both the executive director of sponsored programs and the director of accounting. When approved, OSP Financial Services requests the Office of Human Resources – Payroll Services to open the project for one business day. The department HRP is notified that the project is open and processes the PET. The project status automatically closes at the end of business on the same day.

The HR/SIS generates the following error message when attempting to enter a PET more than ninety-days after the cost was incurred.



When this message appears, a department/college HRP cannot make the entry. Instead, the PI needs to complete the “[Request to transfer payroll expenditures more than 90 days after costs incurred](#)” form. The completed form is sent to the OSP for review. If the request is approved, the PET is entered by OSP personnel. This process supports federal regulations that require cost transfers to be made in a timely manner (defined as taking place within ninety days of the occurrence of the cost).

Non-Personnel Expenses (supplies, travel, equipment, etc.)

When processing cost sharing for non-personnel financial transactions in the Financials System, it is necessary to use the following cost shared ChartField information:

- GL Unit: UNIV
- Org: five-digit department number
- Fund: Any fund except “590000” and hospital funds beginning with an “H”
- Account: Appropriate account for expense (accuracy is extremely important – for instance, laboratory supplies are normally allowable, however office supplies are typically not)
- Project: OSURF project number

Department fiscal officers complete only one line of ChartField information when the cost shared expense is completely funded by the department. The requisition then workflows to the appropriate approvers for processing.

Split-Funded Purchases

When more than one source of funds (for example a 50/50 split between a sponsored project and university funds) are used to pay for a single purchase to an external vendor, the fiscal officer prepares a “[Requisition Form](#)” listing each of the ChartFields and the percentage of the total cost being paid from each (see approved purchase order example below). The authorized individual (PI or their designee) for the ChartField accounts being used signs the “Requisition Form.” The fiscal office faxes the requisition (614-292-6870) or mails the requisition form to the OSP Procurement department, 1960 Kenny Road, for processing.

Sample Split-Funded Purchase Order

Purchase Order Defaults

Unit: OSURF PO: NEXT

Default Options: Default Override

Line/Sched Defaults

Ship To: 381 Stores And Receiving Building

Due Date: 03/25/2008 Original Promise Date:

Ship Via: BEST Freight Terms Code: DEST/PPD

TRFT Rule: Freight Charge Method:

Category: YSOTH Unit of Measure: EA

Distribute by:

Distribution

Note the use of "UNIV" for the GL Unit and a Fund other than 590000

Dist	Percent	GL Unit	Org	Fund	Acct	Pri/Grt	Program	UserDef
1	50.0000	OSURF	XXXX	590000		6xxxxxxx		
2	50.0000	UNIV	XXXX	011000		6xxxxxxx		

Line 1 = Sponsor Paid

Line 2 = Cost Shared

Reimbursements and other Payment Requests

Fiscal officers use the Payment Request Entry Page (PREP), in the university's Financials System, to process reimbursements to individuals. The college's senior fiscal officer grants access to PREP. Detailed instructions, including how to gain access and a required online training course, are available [here](#).

Sample PREP with Cost Shared Expense

(See line 2, note the use of "UNIV" as the Business Unit and a Fund other than 590000)

Invoice

Business Unit: OSURF Voucher ID: 09ZZD9VF *Voucher Action: Pending Release

*Pay Type: Reimbursement Date: 08/26/2008

Vendor Search

EmplID: [Vendor Lookup](#)

Employee

COLUMBUS USA OH 43221

Payment Information

RF Travel #: T387659

*Conv Order: RF-12345

Currency: USD

Payment Description: ROME, ITALY - 07/27/08-08/05/08

Pymnt Handling: RE Regular

Check Message:

Separate Check Required

Total: 1937.00

Vendor Updates

*Vndr Action: No Action [Print AP Compliance Form](#)

Payee Type:

Name:

Address 1:

Address 2:

City: Cntry: USA St: Zip:

Line Items Find | View 1 | First | 1-2 of 2 | Last

Amount	GL Unit	*Org	*Fund	*Acct	Prj/Grt	Program	UserDef
737.00	OSURF	14100	590000	63408	60014921		ROME
1200.00	UNIV	14100	013000	63408	60014921	11557	ROME

Line 2 =
Cost Shared

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eTravel System

Department fiscal officers use the eTravel System to process travel reimbursements on sponsored programs. The college's senior fiscal officer grants access to the eTravel System. Detailed instructions, including online training courses are available through [Carmen](#). View the [Self Enrollment](#) instructions for more information.

Sample eTravel System Payment Request

This example shows 50% of the expense charged to the sponsor (line 1) and 50% is cost shared by the university (line 2). Note the use of "UNIV" as the Business Unit and a Fund other than 590000.

Travel Chartfield Details											
BU GL	Org	Fund	Account	Project	Program	User Defined	Max Amt	Percent	Estimated Amt	Add/Delete	
OSURF	04200	590000	63401 - Ohio Travel - Univ Employee	6000xxxx				50	\$0.00	+	-
UNIV	04200	011000	63401 - Ohio Travel - Univ Employee	6000xxxx				50	\$0.00	+	-

Line 2 = Cost Shared



Cost Transfers from University Funds

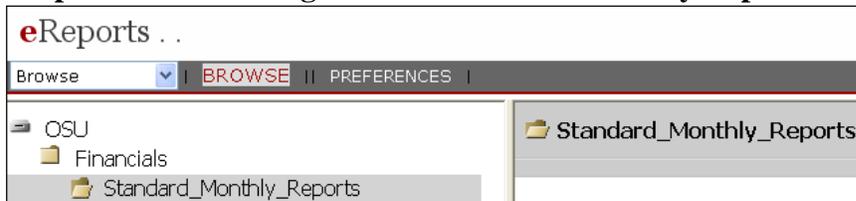
Fiscal officers process General Ledger journal entries whenever non-personnel expenses that have already been incurred on a department/college fund need to be reported as cost sharing. Sponsor guidelines require back-up documentation for cost transfers involving the following types of costs: equipment, office supplies, travel, and business meals. The following step-by-step instructions provide an overview of the process. For additional information, please contact the OSP Financial Services department.

1. Fiscal officer enters journals in the General Ledger (example journal entry, Line 1 = current department expense, Line 2 = corrected cost shared expense for OSURF project number).

Line#:	1	FNP Oct 07 Office Supplies	Project:		
Bus. Unit:	UNIV		Program:		Amount: -22.14
Org:	XXXXX	Adams County	User Defined:		
Fund:	500301	Adams Co Commissioner	Jrnl Ln Ref:		
Account:	61201	Office Supplies			
Line#:	2	FNP Oct 07 Copy Services	Project:	6XXXXXXX	Adams FNP 08-1
Bus. Unit:	UNIV		Program:	20081	FCS Program 2007 9 months
Org:		Adams County	User Defined:	ADAM	Amount: 22.14
Fund:	500301	Adams Co Commissioner	Jrnl Ln Ref:		
Account:	63201	Copy Services			

2. Fiscal officer prints copy of journal, attaches additional documentation for audit purposes, e.g., invoice, receipts, etc., and sends to OSP Financial Services for processing and approval.
 - a) Include a copy of the department's "Standard Monthly Reports" from the university eReports, <http://ereports.osu.edu>; annotates the report by indicating the cost shared expenses and to which project these costs need to be reported.

eReports Portal: Navigation to "Standard Monthly Reports"



3. Journal entry work flows to OSP Financial Services for approval; however, backup documentation is necessary to complete transaction and fulfill audit requirements. Once the appropriate documentation is received and approved, the OSP Fiscal Services staff complete the journal transaction.

Tuition & Fees

An overview of the process for documenting tuition and fees as a cost shared expense follows. It is important to be aware that all out-of-state tuition is cost shared by the university, even if the sponsor is paying for the in-state portion. Also, the university's Financials System posts tuition and fees quarterly, during the second month of the quarter.

1. The PI indicates on the "Authorization to Seek off Campus Funds" form (ePA-005) if tuition & fees will be a sponsor, department, or college cost.
2. The SPO sets up the project with a tuition and fee code that ensures these costs are charged appropriately. If the department or college is paying the fees, the charges are automatically recorded on the project as cost sharing and subsequently reported to the sponsor as such.

Unrecovered Facilities and Administrative (F&A) Costs

1. When a sponsor does not reimburse the full F&A rate for a specific project, the difference between the amount paid by the sponsor and the university's actual F&A costs becomes cost sharing.
2. The Financials System automatically calculates cost shared F&A expenditures. The information is displayed on the PI Portal's Financial page.

Equipment Cost Sharing

Part of the cost of equipment may be provided by departments, centers, and/or colleges. For more information, contact the department chair, center director, or college dean.

Third Party Cost Sharing

Third party cost sharing occurs when a collaborator (another university or industry partner) contributes resources to a research program at Ohio State. The most common types of third party cost sharing are described below including a brief description of how to document the transaction.

- 1) Subawards (subcontracts)
 - a) Subawardee reports cost sharing on its invoices and PI approves the invoice.
 - b) OSP Accounts Payable processes the payment and forwards invoice to OSP Financial Services.
 - c) OSP Financial Services posts transaction as third party cost sharing in the Grants ledger for project reporting (this information displays in the PI Portal but **not** in the university's General Ledger).
 - d) OSP Fiscal Services reports third party cost sharing on sponsor invoices and financial reports, as appropriate.

- 2) In-Kind (non-cash contributions)
 - a) Collaborator/partner provides letter to document in-kind contributions.
 - o Letter must be printed on company letterhead and signed by a company official
 - o Letter must include:
 - (a) Type of cost shared expenses, e.g., personnel, travel, etc., and value of each item.
 - (b) Method of valuation, e.g., actual personnel costs.
 - (c) Time period of contribution, this must occur during grant period.
 - b) PI forwards "in-kind" contribution letter to SPO.
 - c) OSP Financial Services posts costs as a third party expense to project.

- 3) Cash Contributions – On occasion, third parties, e.g., industry partners/collaborators, may wish to contribute funds to a PI's research program and/or a specific research project. The PI needs to contact their SPO to properly account for these types of contributions. The PI may chose to count this contribution as cost sharing to a sponsored project; however this may need to be approved by the sponsor. Typically, the OSP establishes a separate project for these types of cash contributions.

Recording a Sponsored Project's Expenses as Cost Shared on another Sponsored Project

Occasionally, and with proper justification and approval, expenses on one sponsored project can be recorded as cost sharing on another project. However there are some limitations on this process. For example cost shared expenses that have been reported on a federal grant cannot be reported as cost sharing on another federal grant. Also, cost shared expenses that have been reported on a Third Frontier (State of Ohio) award cannot be reported on another Third Frontier award. During the proposal development process PIs need to specify that the cost sharing commitment will be met by another award.

A brief explanation of this process follows:

1. PI provides written communication to the SPO, which includes the following:
 - a) Project number, sponsor, and award title
 - b) Verification that the project:
 - *Directly relates to the work of the award* for which the cost sharing is being reported.
 - Is not being used as cost sharing for any other award.
 - Includes the reporting of all expenses or only a portion.
 - Designates a period of time during which expenses can be reported.
- 2) SPO communicates information to OSP Fiscal Services for reporting purposes.
- 3) Fiscal Services reports expenses from projects directly to sponsor on invoices and financial reports

Who Do I Ask at the Office of Sponsored Programs for Assistance with Cost Sharing?

Many individuals are involved in the documentation and processing of cost sharing for a sponsored project. Please visit the links provided below to contact individuals from each of the units within the OSP.

[Office of Grants and Contracts](#)

[Fiscal Services \(Billing\)](#)

[Financial Services](#)

[Purchasing](#)

[Accounts Payable](#)

Definitions and Abbreviations

Award: In the PI Portal and the university's Financials System, the award is identified by a specific ID number. The format is "GRTXXXXXXXX" (GRT – prefix followed by 8 digits). The Award ID is not a component of the ChartField; sponsored project expenses are applied to project IDs.

ChartField: A sequence of values used to identify financial transactions. The ChartField includes values for Org, Fund, Account, Project, Program, and User Defined.

PET: Personnel Expenditure Transfer; used when it is necessary to transfer or correct a personnel transaction for a prior time period.

Project: ChartField segment used to identify OSURF sponsored programs and other projects (UNIV, OSUMC) having specific start and end dates. Direct, facilities and administrative (F&A), and cost shared expenses are recorded on the projects. OSURF Project ID format: Six digits for projects created before August 2004 (7XXXXXX"); eight digits for projects created after August 2004 (6XXXXXXXXX). The project ID is also used as an optional management segment for other non-capital projects.

Subaward: A subaward (subcontract) is used if part of the research effort under a grant or contract is performed by another organization. Subawards are always awarded to an organization or institution, not to an individual. If an individual not affiliated with an organization is doing part of the work, that individual must be paid as a consultant.

Third Party Cost Sharing: Contributions given to a specific grant or contract by an individual or group from outside both the university and the sponsoring agency. The OSP posts third party cost sharing to the project financial statements after it is reported.

Types of Costs

Mandatory Cost Sharing: Represents that portion of allowable project costs not borne by the sponsor that is required by the sponsor's program guidelines. A sponsor may require that a certain percentage (e.g., 40%) of the total project costs be paid by the university. When this occurs, the sponsor will pay only their corresponding percentage (e.g., 60%) of the total expenses incurred by the project. Most cost sharing should be limited to what is specifically required by the sponsor in order to fund the project. Mandatory cost sharing is indicated in the proposed budget and should be a readily identifiable and easily documented expense transaction, e.g., unrecovered F&A costs or a faculty member's effort not being paid by the sponsor.

Voluntary Cost Sharing: Cost sharing that is not required by the sponsor in order to fund the project. However, this type of cost sharing could be required due to an imposed limitation by the sponsor, such as the [NIH salary cap](#). When cost sharing is not required by the sponsor, listing a PI's effort in the proposed budget with no funds requested from the sponsor is also an example of voluntary, committed cost sharing.

Sources of Cost Sharing

Cash Contributions: Represent the university's cash outlay, including the outlay of money donated to the university by non-sponsor third parties, e.g., industry partners/collaborators.

In-Kind Contributions: Represent the value of **noncash** contributions provided by the PI's department. This may include effort for personnel and/or non-sponsor third parties. In-kind contributions may be in the form of charges for real property, non-expendable personal property, and the value of goods and services directly benefiting and specifically identifiable to the project.