



**Office of Research and Sponsored Programs**

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**Cost-Share / Matching Funds / In-Kind Contribution Procedures**

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**Issued: January, 2007**

**Implemented: March, 2007**

**POLICY BACKGROUND**

Cost-sharing is the portion of the cost of a sponsored project that is borne by San Francisco State University (SFSU). It can be represented by both direct and indirect costs. Cost-sharing must be verifiable from University's records, necessary and reasonable for proper and efficient accomplishment of the project, and allowable under federal cost principles and regulations (OMB Circulars A-21 and A-110).

**ORSP PRE-AWARD**

**A. Proposal including Cost-Share**

1. Principal Investigator (PI) identifies any cost-sharing that will be included in the proposal.
2. PI marks "yes" in section 4 "Cost-Matching" of the online PI Checklist, and identifies the source from where the cost-sharing will be supported.
3. PI submits the checklist online to notify ORSP that a proposal with a request for cost-share is being submitted.

**B. Proposal Budget Preparation**

1. Proposal Specialist (PS) confirms that cost-sharing/matching funds are being proposed.
2. PS reviews the proposal guidelines and determines if the sponsor requires the cost-share.
3. PS consults with the PI and sets up a separate cost-sharing section for the budget. The PS is responsible for identifying cost-sharing whether or not the PI indicates that there is a cost-share commitment on the PI checklist. In some cases, questions may arise regarding what constitutes cost-sharing. The following are examples of cost-sharing:
  - a. Providing in-kind effort to the project--Requesting \$0.00 of salary from the sponsor but providing effort on the project.
  - b. Using the lecturer's replacement rate rather than the PI's actual salary on a proposal budget.
  - c. Providing student support but not requesting compensation for the students on the grant.
4. PS reviews the proposed cost-share budget to determine if expenses are allowable and allocable to the proposal.
5. PS completes the cost-share budget and highlights the cost-share commitment in grey on the draft proposal budget. See below for a sample budget with cost-share.

## Sample Cost-Share Budget

**INSTITUTION:** San Francisco State University  
**PRINCIPAL INVESTIGATOR:** XXXXXXXXX  
**TITLE:** XXXXXXXXX  
**SPONSOR:** National Institutes of Health  
**DURATION:** 1 Years (1/1/2007-12/31/2007)

|   |   | Total Requested<br>Year 01 | SFSU<br>Contribution<br>Year 01 |
|---|---|----------------------------|---------------------------------|
| <b>PERSONNEL</b>                            |   |                            |                                 |
| Subproject Principal Investigator           |   |                            |                                 |
| \$xxxxxx                                    | Academic Year Salary*                       |                            |                                 |
| \$xxxxx                                     | Per Month                                   |                            |                                 |
| \$xxxxx                                     | Per Summer Month                            |                            |                                 |
| \$xxx                                       | Per Summer Day                              |                            |                                 |
| 20%   | RRT Requested (Fall and Spring Semesters)   | \$ 12,970                  | \$ -                            |
| 40%   | Fringe Benefits Requested                   | 5,188                      | -                               |
| 20%   | RRT Contributed (Fall and Spring Semesters) | -                          | 12,970                          |
| 40%   | Fringe Benefits Contributed                 | -                          | 5,188                           |
| 44  | Summer Days Requested (2 Summer Months)     | 14,633                     | -                               |
| 12%   | Summer Fringe Benefits Requested            | 1,756                      | -                               |
| Research Technician I                       |   |                            |                                 |
| \$xxxxx                                     | Calendar Year Salary**                      |                            |                                 |
| 80%   | Time and Effort                             | 25,000                     | -                               |
| 55%   | Fringe Benefits                             | 19,099                     | -                               |
| Research Tech I, TBN                        |   |                            |                                 |
| \$16.37                                     | Hourly                                      |                            |                                 |
| 960   | Hours (30 hours/week x 32 weeks)            | 16,030                     | -                               |
| 10%   | Fringe Benefits                             | 1,603                      | -                               |
| <b>Total Salaries</b>                       |   | <b>78,357</b>              | <b>12,970</b>                   |
| <b>Total Fringe Benefits</b>                |   | <b>27,645</b>              | <b>5,188</b>                    |
| <b>Total Salaries &amp; Fringe Benefits</b> |   | <b>106,002</b>             | <b>18,158</b>                   |

6. PS indicates on the Proposal Routing Slip that there is cost-sharing associated with the project by checking “Yes” to the question “Is there any cost-matching?”
7. PS includes any relevant documentation concerning cost-share with the Proposal Routing Slip.
8. PS completes a Notice of Cost-Sharing/Matching Contribution form. (See page 6 of this document for an example of the form.)
  - The category of the cost-sharing and dollar amount will match the information on the cost-share budget. The PI must identify the Organizational Unit that will support the cost-share and the account number to be charged for the cost-sharing.
9. PS emails the Notice of Cost-Sharing/Matching Contribution form to the PI.

### **C. Approval of Cost-Share Commitment**

1. Upon receipt of the Cost-Sharing/Matching Contribution form, PI reviews the form for accuracy.
2. PI submits the Cost-Sharing/Matching Contribution form to the Department Chair and Dean for review and approval.
3. Once the form has received signature approval from the Department Chair and Dean, PI returns the form to the Proposal Specialist.
4. PS forwards the Cost-Sharing/Matching Contribution form with the rest of the proposal, to the Associate Vice President (AVP) for Research and the Compliance Officer for final review and approval of the proposed cost-sharing.

### **D. Final Approval of Cost-Share Commitment**

- The AVP for Research reviews the proposed cost-sharing in the proposal and gives official University approval by signing the proposal and the cost-sharing form.
  - If the cost-share request is over \$100,000, the AVP for Research will solicit additional approval from the Provost.
  - If the AVP for Research does not approve the proposed cost-sharing, the proposal will not be signed or may be submitted without the cost-sharing included. The PI may choose to revise the proposal to exclude or modify the cost-sharing previously proposed.

## **ORSP POST-AWARD**

### **A. Cost-Share Budget Set-up**

1. Grants Administrator (GA) reviews the information in the proposal folder for any committed cost-share included on the budget approved by the funding agency. **GA cannot create a project for an award with cost-sharing without a completed and signed Cost-Sharing/Matching Contribution form.**
2. When setting up the project budget, GA selects the Cost-Share Box on the Budget Template form and includes the amount to be contributed.
3. GA includes the details of cost-share under “list any legal restrictions or other stipulations governing the use of funds.”
4. GA creates a separate cost-share companion account in the Financial Management System.
  - a. A second budget template form is created and routed to create the cost-share project.

- b. The project number will terminate in a “1” and the cost-share project will have the same project number, but terminate in a “2”.

**Example of project number logic:** A three year award funded by NSF, currently in the second year of the award that has a cost-sharing companion project:

| Agency | Unique Number | # Years in the Project / Current year | Cost-Sharing |
|--------|---------------|---------------------------------------|--------------|
| 11     | 561           | 32                                    | 1            |
| 11     | 561           | 32                                    | 2            |

**FMS Chartfield:**

| Fund  | Department | Project  |
|-------|------------|----------|
| SG001 | 3080       | 11561321 |

5. GA creates a Journal Entry (JE) upload sheet to transfer funds from the projects listed on the Cost-Sharing/Matching Contribution form to the cost-share project as revenue or as a credit.
  - a. The JE will only transfer direct costs from the department account to the cost-share project.
  - b. Indirect Costs, if included in the committed cost-share, will be budgeted as revenue separately by ORSP and Fiscal Affairs.
  - c. GA receives signature approval from the Dean contributing the funds on the JE form.
  - d. GA receives signature approval from the Director of ORSP on the JE form.
6. GA sends the JE form to Trust Accounting to process.
7. All cost-share expenses should be charged directly to the cost-share project.
8. In cases when the use of equipment is considered cost-sharing, a JE will not be processed. A note will be placed in the award folder with an explanation of the cost-share and the amount of the cost-share. This amount will then be verified by the PI prior to the completion of financial reports.

**B. Monitoring Cost-Share Commitments**

- a. A copy of the cost-share budgets is forwarded to Compliance Officer for review.
  - b. Compliance Officer identifies all cost-shared labor and enters into Time and Effort Database for processing.
1. Verification of Cost-Shared Expenses
    - a. PI and GA periodically reviews the expenses that post to the companion “2” project and verifies that they represent all of the cost-share expenses for the period being reported.
    - b. The Compliance Officer includes the percent effort contributed to the project in time and effort reporting by including the information contained in the cost-share budget.
    - c. The value of the cost-shared labor is verified in the University’s payroll records.
    - d. Cost-shared labor is certified by the PI in the time and effort reporting process.
    - e. If the time and effort reports do not support the budgeted amounts, the Compliance Officer will contact the PI to resolve the discrepancy.

### **C. Award Closeout Procedures**

1. Ninety days before the end of the project, GA contacts the PI to initiate close out procedures for the project and the cost-share project.
2. One month before the due date of a financial report for a sponsored project with cost-sharing, the Fiscal Affairs Accountant (FAA) contacts the GA via email asking to confirm that the balance in the cost-share project is the correct amount and to stipulate the time period of the financial report.
3. The GA confirms with the PI or Department Administrator that the expenses posted to the cost-share project represent all of the cost-share expenses for the period being reported.
  - a. If the PI confirms that there are additional cost-share expenses that will post to the cost-share project, GA informs the FAA.
  - b. GA works with the PI and department to post the additional expenses to the cost-share project.
4. GA provides the FAA the cost-share figures confirmed from the cost-share project report or confirmed by the in-kind reporting sheets.
5. FAA includes the cost-share expense amount confirmed by the GA in the financial report for the project.

**EXAMPLE**

San Francisco State University  
Office of Research & Sponsored Programs

**NOTICE OF COST-SHARING/MATCHING CONTRIBUTION**

Date: August 9, 2005 \_\_\_\_\_

External  
Funding Source: College of Humanities \_\_\_\_\_

A  voluntary  mandatory cost-sharing/matching, cost contribution from University funds is required for the following grant proposal:

Proposal/Project Title: ##### \_\_\_\_\_

Proposal/Grant/Project Account #: \_\_\_\_\_

Duration Period: From: 07/01/06 \_\_\_\_\_ To: 06/30/08 \_\_\_\_\_

Total Cost-Sharing/Matching, Cost Contribution  
(See attached ORSP budget for detailed allocation of match/contribution) \$ 58,053 \_\_\_\_\_

Source of Cost-Sharing/Matching (Acct No., if applicable) Research Support and College of Humanities Salaries, Fringe

Principal Investigator/s : Dr. ##### \_\_\_\_\_

*University policy requires a signed acknowledgement from the principal investigator to formalize recognition of the following responsibilities:*

Maintenance of records to support the cost-sharing/matching funds contribution, including, but not limited to, copies of travel vouchers, paid invoices, and receipts for supplies issued. An explanation of the individual's appointment and assigned workload should suffice to support the time reported as having been contributed to the award.

Forwarding such records to the Office of Research and Sponsored Programs, available for audit.

Preparation of a cost-sharing/matching funds contribution report as requested by the funding agency.

**ACTION TO BE TAKEN**

Please sign and return this Notice of Cost-Sharing/  
Matching Contribution to:

Associate Dean  
Office of Research and Sponsored Programs  
HSS 204

Principal Investigator's Name: Dr. ##### Date 08/09/05 \_\_\_\_\_

Principal Investigator's Signature \_\_\_\_\_ Phone Ext \_\_\_\_\_

| Cost-Sharing Categories | Amount \$ | Source (Acct #) | Department/School | Approval Signature |
|-------------------------|-----------|-----------------|-------------------|--------------------|
| Salaries/Fringe         | \$18,158  |                 | College of _____  |                    |
| TOTAL                   | \$18,158  |                 |                   |                    |

## **Guidelines for use of Notice of Cost-Sharing/ Cost-Matching Contribution**

This form is to be used when a cost-sharing/matching is required as a condition for a grant or an award. This notification form will formalize recognition of the cost-sharing/matching requirements.

### **Process:**

- **ORSP fills out the form completely and then forwards to the Principal Investigator (P.I.) for signature.**
- **P.I. obtains approval signatures from the Department/School or other Institutions who are committed to match or to cost-share the grant or award.**
- **P.I. forwards completed form to ORSP.**
- **P.I. assists, if needed, in the preparation of a cost-sharing/matching funds contribution reports as requested by the funding agency.**
- **Original copy is included as a part of grant/award's budget.**
- **Copies to: Trust Accounting, Principal Investigator, Cost-matching/sharing Department/School or Institution.**