



# Learning Objectives

- Fiscal compliance requirements related to cost sharing
- Responsibility of Research Administrator and Principal Investigator (PI)
- Common issues and impact of non-compliance

# Definitions

- Cost Sharing – the portion of a project's costs not borne by the sponsor. Types include:
  - Mandatory – cost sharing required by the sponsor as a condition of award.
  - Voluntary – Committed – not initially required by sponsors, but has been implied based on inclusion in the budget or proposal narrative.
  - Voluntary – Uncommitted – arises after the award is in place.

# Methods of Cost Sharing

- Internal
  - Salary and benefits – PI, faculty
  - Other – equipment, materials
- Third Party – other than University or sponsor
  - Subcontractor – work on award
  - Cash – donated funds
  - Other – donated services, materials

# Compliance

MISSOURI





# Compliance Requirements - General

- Prior sponsor approval required if:



# Cost Sharing - Proposal





# Cost Sharing – Award Set-up

- All internally committed cost share must be accounted for in the financial system
  - Mandatory and Voluntary - committed
  - Establish cost share ChartFields
  - Separate ProjectID if another University Business Unit
- Project Activity Description pages used to track cost share provided by another sponsored award

# Cost Sharing – During Award

- PI monthly managerial review to ensure cost sharing is:
  - Verified, recorded, and reported
  - Commitments are being met
  - Properly documented
- Effort reports include cost sharing
- Fund 0000 ordinarily used with ProjectID

# Cost Sharing – Closeout

- Reported in final financial report
  - Unrecovered F&A calculated by SPO
- Certify allowability of costs
- Ensure all cost sharing is:
  - Met per commitments – both mandatory and voluntary
  - Allowable
  - Properly documented

# Compliance Requirements - Third Party

- PI obtains a letter at proposal to quantify commitment
- Regularly monitor commitment status
  - Certification with each invoice
  - Invoice documents cost sharing portion
- Third party cost share is not tracked in the University's financial system
  - Part of PI managerial review
  - Department and SPO tracks in spreadsheet

# Responsibilities

<b>Activity</b>	<b>PI</b>	<b>Research Admin</b>
Overall Compliance Responsibility	X	

# Common Issues

- Unaware of implied commitments
- Unallowable costs used as cost sharing
  - Pre-approval not obtained for exceptions
  - Outside period of availability
- Commitments are not timely tracked or met
- Third party noncompliance

# Impact of Non-Compliance

- Questioned or unallowable costs
- Repayments to the sponsor
- Fines and/or sanctions
- Subject to additional external audits
- Jeopardize future funding opportunities
- Damage to reputation

# Concluding points

- Committed cost share—whether mandatory or voluntary—must be
  - Approved by Dean or equivalent
  - Allowable direct cost unless otherwise approved by sponsor
  - Met in accordance with award requirements
  - Monitored, quarterly at a minimum





# Question 1:

1. Which of the following is not allowable as cost sharing unless prior sponsor approval is obtained?
  - a. PI Salary
  - b. Technical equipment necessary for the research
  - c. Unrecovered F&A costs
  - d. Travel costs to present the research findings at a conference

# Question 2:

2. All committed cost sharing, whether mandatory or voluntary, is required to be tracked and met after the award is accepted.
- a. True
  - b. False

# Question 3:

3. The PI does not need any approvals to use funds from a non-federal award to cost share on a proposal.
- a. True
  - b. False

# Additional Information

- University Accounting Policy – [APM – Section 60](#)