



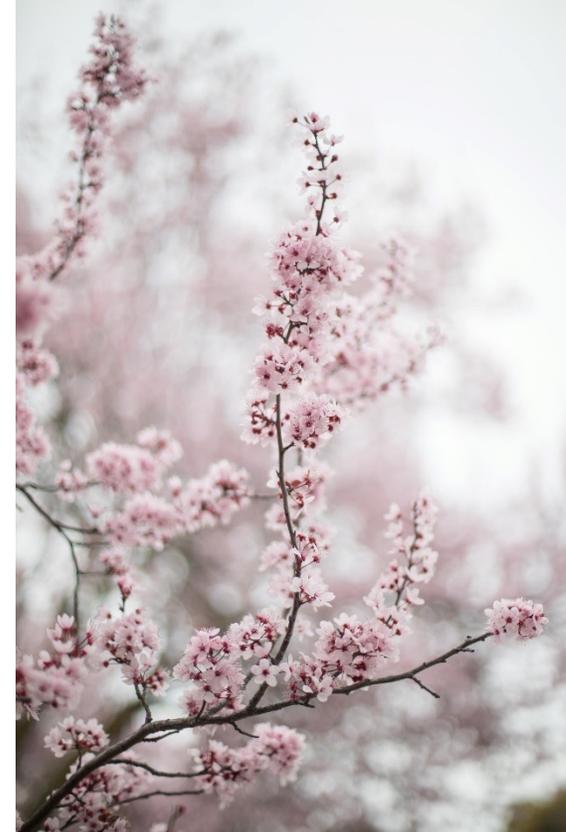
Cost Sharing Basics

Presented By:
Office of Contracts
and Grants

UNIVERSITY OF CALIFORNIA
Agriculture and Natural Resources

Objectives

- Define Cost Share
- Types of Cost Share
- Sources of Cost Share
- What Can/Can't be Cost Shared
- Roles and Responsibilities
- Managing Cost Share



Definition of Cost Sharing

Federal Definition

Cost Sharing or Matching means the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute).

General Definition

The portion of research/project costs that are not borne by the sponsor.

Types of Cost Share

- Mandatory
- Voluntary
 - Committed
 - Uncommitted



Mandatory Cost Share



- Is required per agency regulations and specified in a notice of funding opportunity
- May be a % of the total project costs or a fixed amount
- Must come from Non-Federal fund sources

Voluntary Cost Share

- Is *not* a requirement of the funding opportunity.
- Under Federal proposals, *voluntary committed cost sharing is not expected and cannot be used as a factor during the merit review of applications or proposals.*
 - Reference: OMB Circular



Voluntary Cost Share

➤ Committed

- Quantifiable and included in the proposal: Ex.: stating PI will commit 5% effort but is not charging any salary.
- Generally discouraged

➤ Uncommitted

- Costs incurred in order to carry out the project which are not charged to the sponsor and do not require tracking.

Types of Cost Sharing - Summary

- **Mandatory Cost Share is:**

- Required by the sponsor in the RFP
- Included in the Proposal, stated in the budget
- Legally binding/must be tracked and reported to the sponsor

- **Voluntary Committed Cost Share is:**

- NOT a condition of the award
- Included/quantifiable in the proposal
- Legally binding/must be tracked and reported to the sponsor

- **Voluntary Uncommitted Cost Share is:**

- Project costs not funded by sponsor and not committed in the proposal
- Effort spent above the committed amount
- Is NOT required to be tracked or reported to the sponsor

Sources of Cost Share

- UC ANR Sources

- Other Sponsored Awards (NON-Federal) – Must have the other sponsor's approval to use that award as cost share on another project.
- Endowment Funds
- Gift Funds
- General Budget

Sources of Cost Share

- Third Party (Non-Federal)

- Subawardees
- Collaborators
- Volunteer Services / Donated Property

- Must have a signed letter of commitment
- Must be able to certify the value.

Ex: 1) volunteer services rates must be consistent with those paid for similar work. 2) Third party in-kind services must be the employee's regular rate of pay plus fringe benefits provided same type of work.

What Can I Cost Share?

Eligible costs must be:

- Readily verifiable in the University's records
- Necessary and reasonable to accomplishment the project objectives
- Allowable under cost principles
- Non-federal (except as authorized by statute)
- Incurred within the same time period as the award
- Not included as cost share on another project

What Can I Cost Share?

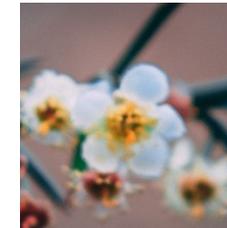
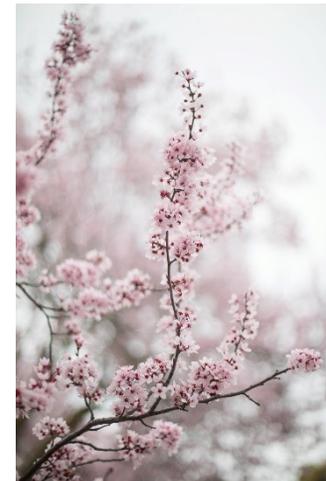


Examples:

- Salaries/Benefits
- Equipment and M&S
- Other Direct Costs
- Unrecovered Indirects (with approval)

What Can't I Cost Share?

- Costs normally treated as Indirects
- Costs that would be unallowable per costing guidelines
- Costs not benefitting the project
- Costs not allowed on the award
- Items cost shared on other projects



Proposal Roles and Responsibilities

- PI/OCG: Review sponsor guidelines

- PI: Document cost share on budget/budget justification only

- PI: Obtain signed documentation from each funding source that has promised to contribute.
 - ANR: a signed letter from the unit head and AVP
 - Third Party: a signed letter of commitment specifying the dollar amount
 - Submit with the proposal package to OCG

Award Roles and Responsibilities

- OCG/BOC/CGA: Review awarded budgets for cost share
- BOC: Enter in the Cost Share Tracking Systems
- PI: Request contribution reports from third parties and track volunteer hours
- BOC: generate contribution reports during the award period. PI must certify the report.

Cost Share Tracking System

- Tracks and documents the actual incurred cost share
- Detailed training on the system is available

<https://financeandbusiness.ucdavis.edu/systems/cost-share-app>

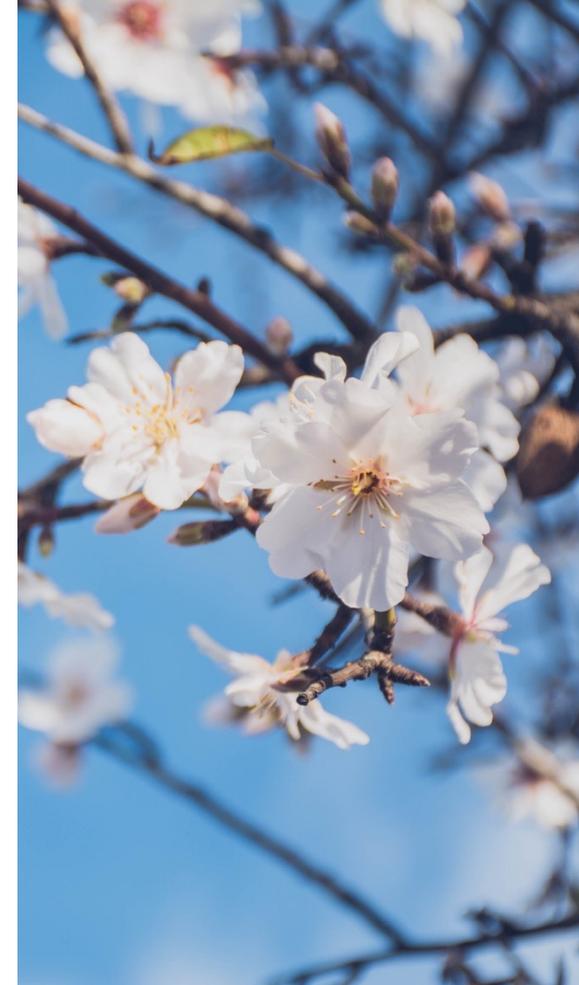
Cost Share Tracking System: Who is Responsible



- Working with the PI, BOC will enter the data in the Cost Share Tracking System.
- PI will approve transactions for the Contribution Report
- PI will certify the Contribution Reports

Remember

- Cost Share Expenditures are:
 - Auditable
 - Must follow cost principles
 - Part of the official record
- Most sponsors do not require cost share
- Voluntary Cost Share is generally discouraged
- Cost sharing requires additional effort to prepare, document, track expenses, and certify cost sharing reports.



Academic Cost Recovery/Salary Savings

Office of Contracts & Grants

Presented by

Kathy Nolan, Director of Contracts & Grants

Rosemary Renteria, Senior Financial Analyst, BOC

Joni Rippee and Maru Fernandez, Statewide Programs and REC Operations

April 19, 2023

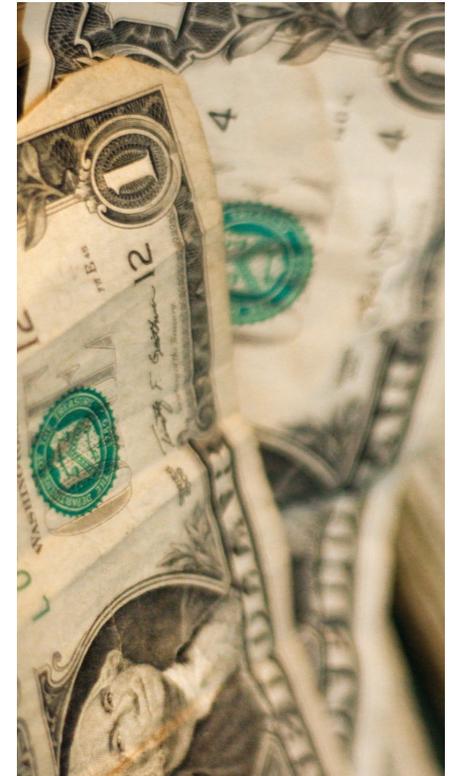
Learning Objectives

- 1 What is Academic Cost Recovery/Salary Savings?
- 2 How can Salary Savings benefit me?
- 3 Steps to take if you are in a Statewide Program, REC or UCCE/BOC

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Academic Cost Recovery/Salary Savings

- When the academic salary and benefits of UC ANR personnel (who are not “soft-funded”) are included in the project budget and charged to the sponsor, then those “UC ANR salary” costs are considered Salary Savings and the salary portion (minus benefits) may be transferred to a Salary Savings Account.
- Governed by applicable University, federal, state and county regulations, policies, and procedures and contractual requirements stated in the project agreements.
- Administrative Handbook Policy 292 – Cost Recovery



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How can Salary Savings benefit me?

- ANR Salary Recovery Policy Encourages Investigators to recover reasonable and appropriate salary support from grants and contracts proportionate to the function of the time and effort devoted to the project.
- Funds can be used to cover expenses of the Investigator's on other programmatic activities beyond the funded project (similar to a discretionary account).



3

What steps can I take to implement?

- Must include PI and/or academic salaries and benefits in proposal budgets (based on the % of time PI intends to work on project to complete programmatic work).
- Once your project is awarded, OCG will include the check box for academic cost recovery in your good news letter.
- Work with your Statewide office, REC or BOC as indicated in next slides to complete necessary steps.
- If you are expecting an award with academic cost recovery and award has been delayed, remember to request an advance account, especially in cases where it crosses fiscal years.

REC Process

- REC Directors can include a % of their efforts on a projects' budget and utilize salary savings beyond the current year.
- When project is awarded, ANR C & G creates GNL, UCD Contracts and Grants Accounting creates fund number, REC Office/Business Manager creates new project account for approved award
- SWPR Director updates Academic's funding in UC PATH - PI's salary & benefits will be charged to the new grant account for the designated % of time
- During the current year, Directors may utilize salary savings when available.
- At fiscal close, Business Manager will coordinate with SWPR to exchange the salary portion of the salary savings into the REC's Director's specific Salary Cost Recovery Account and Sub-account. These transfers will be completed in June before fiscal close.
- Contact your REC's Business Officer if you have questions!

SWPR - Statewide Programs and Institutes Process

- Statewide Programs' Directors and ANR based CE Specialists can include a % of their efforts on a projects' budget beyond the current year.
- When project is awarded, ANR C & G creates GNL, UCD Contracts and Grants Accounting created fund number, SWPR Business Manager creates new project account for approved award
- SWPR Business Manager updates funding in UC PATH to charge PI's designated % effort to the new grant account.
- During the current year, Directors & CE Specialists may utilize salary savings when available.
- At fiscal close, Business Manager will coordinate with SWPR to exchange the salary portion of the salary savings into the Director's/CE Specialist's specific Salary Cost Recovery Account and Sub-account. These transfers will be completed in June before fiscal close.
- Contact your Business Manager if you have questions!
- Campus based CE Specialists should work with their Dean's office to determine the process.

BOC Summary of Action Items

GNL Notice with
ASCR information to
Advisor & BOC
Financial Analyst

BOC Business
Partner creates
Award Account &
notifies Advisor &
BOC Financial
Analyst

BOC Financial
Analyst updates
Advisor record in UC
path to charge effort
to award for period of
time indicated on
GNL

Advisor salary is
expensed to award
for period of time
indicated on GNL
(not to exceed
maximum salary
indicated on
proposal)

Allocation
proportional to salary
expensed to award is
transferred to
Advisor's salary
recovery account

Advisor has up to 2
fiscal years to spend
funds in Salary
Recovery Account
(L-###SR##)

Example of GNL notice

- Advisor effort may differ from project period for various reasons
- Maximum allowable salary cannot be exceeded, no matter the effort

UCANR Grant Tracking System
Office of Contracts and Grants
DANR Building, Hopkins Road, Davis, CA 95616

Prepared by [Kendra Rose](#) on 04/06/2022

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Award Summary and Analysis

GTS No. Y21 - 5535 - New Award

PI: [REDACTED]

Project Title: [REDACTED]

Project Period: September 01, 2021 through August 31, 2024

Award Number: MA1752

Instrument Type: K - Contract

Sponsor: [REDACTED]

Sponsor Code: 9263

Sponsor Category:

CFDA Number: 10.328 (note- there is a typo on attachment 2 of the award document. See the prime award.)

Amount Funded: \$99,730.00

Direct Costs: \$79,784.00

Indirect Costs: \$19,946.00

Cost Sharing: \$0.00

Cost Share Type: None

Effort Commitment(s):
[REDACTED] - 2% - 9/01/21-3/31/24 - max sal \$6,043, ben \$2,441

Academic Cost Recovery: Yes

F&A (Indirect Cost) Rate: 25.00%/26% after 7/1/22 **Base:** MTDC **Waiver No.:**

Project Type: Other

Administrative Unit: [REDACTED] County

Administrative Unit OP Account: L-620501

OP Fund:

FFATA: No

Federal Contractor Minimum Wage: No

E-Verify: No

ANR Administrative Contact: Katherine Hanke, 530-447-0801 Ext 1319

Federal Flow Through Sponsor: USDA NIFA

Invoice Instructions:

ANR Award Summary/Analysis

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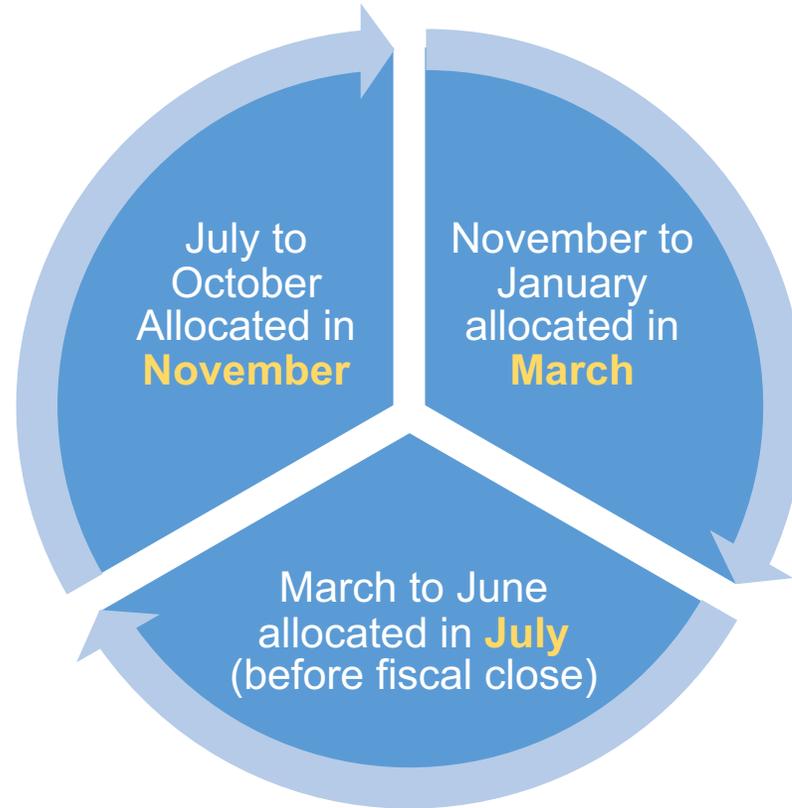
Academic Salary Savings Allocation - Process

BOC Financial Analyst transfers the value of the salary savings to the PI's Salary Cost Recovery Account

Benefits savings are not included in salary cost recovery funding available to Advisors (i.e. employee benefits portion stay with ANR)

Only salary savings accrued during the current fiscal year may be transferred to the PI's Salary Cost Recovery Account

Academic Salary Savings Allocation – Timing



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Funding Availability

- Subaccount Coding: all savings currently coded to fiscal year in which they are generated
 - Current year accumulating salary savings: F2223 (7/1/22 through 6/30/23)
 - Advisors are urged to use oldest subaccount when incurring / coding expenses
 - E.g. F1718, F1819, F1920, F2021, F2122
- Salary recovery funds must be used within the year generated, or in either of the following two fiscal years
- If there are extenuating circumstances, requests for extension with a rationale can be submitted to the BOC and will need AVP approval

Year Generated	1st FY	2nd FY	Pull-Back	
2018-19	2019-20	2020-21	7/1/2021	Note: pull-back effective 7/1/2023
2019-20	2020-21	2022-23	7/1/2022	Note: pull-back effective 7/1/2023
2020-21	2021-22	2022-23	7/1/2023	
2021-22	2022-23	2023-24	7/1/2024	
2022-23	2023-24	2024-25	7/1/2025	

Use of Recovered Salary Savings

- All UC ANR employee-related and purchasing policies apply
- Hire staff and personnel
- Purchase new equipment or resources for the ANR PI's program
- Pay for specific expenses associated with the ANR PI's program operations / activities

Use of Recovered Salary Savings (cont.)

- Provide additional travel and professional development funds for the ANR academic
 - AB1887 Law restrictions apply
[AB-1887 Travel Prohibition: https://www.ucop.edu/central-travel-management/resources/ab-1887-travel-prohibition-to-certain-states-using-state-funding-source%E2%80%8B.html](https://www.ucop.edu/central-travel-management/resources/ab-1887-travel-prohibition-to-certain-states-using-state-funding-source%E2%80%8B.html)
- Funds in ANR Academic Salary Cost Recovery Savings accounts are state funds
 - In addition to AB1887 restrictions, Gift Cards, Alcohol, etc., not allowed
[State General Funds Restrictions: https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer/accts-funds/uc-funds/gen/state](https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer/accts-funds/uc-funds/gen/state)

State Fund Restrictions

Restrictions:

- > Additional Compensation/Lectures and Similar Services
- > Alcohol
- > Capital Projects
- > Debt Service Payments
- > Employee Morale Functions (Retirements, Employee Recognition, Department Picnics)
- > Entertainment
- > Gifts or Non-Cash Awards to Employees
- > Gifts Presented to Non-Employees
- > Honoraria
- > Memberships
- > Raffle Prizes, Door Prizes, and Incentive Gifts
- > Salary (Above NIH Cap, Fundraising, Health Sciences)
- > Sympathy Gifts and Cash Contributions
- > Student Aid
- > Tickets to Entertainment or Sporting Events
- > Tobacco
- > Travel

Visit UC Davis Finance Accounting web page on state funds for details:

State General Funds Restrictions:

<https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer/accts-funds/uc-funds/gen/state>

Important Facts to Remember

- Per policy, ASCR actions must be set up at the beginning of grant
 - Retroactive cost recovery actions are not allowable
- Any changes to the award end dates or % of time (allocation) will be communicated officially in a GNL from UC ANR Contracts and Grants Unit
- When sponsor's funding is approved, PI contacts ANR OCG to request an Advance Account be established

UCCE Advisor / County Director Action Items

- Advisors are responsible for certifying their effort through the effort reporting system
 - Especially critical on Federally - or CDFA-funded projects
- If dates or percentage of time change while working on project, UC ANR contracts and Grants will update GNL and send update to Advisor and Budget Analyst with changes
- Monitor your project account ledgers (as with all expenses) to ensure PI's salary is correctly posted to the project / account

Still have questions?

Contact: ocg@ucanr.edu



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Join Us for Next Webinar

Budget Basics and Calculator

April 21, 2023

12:15 -1:00 p.m.

Learn how to develop a proposal budget. Topics covered include: cost components that make up a budget, applicable cost principles, budgeting techniques and practices, calculating F&A costs, and budgeting tools and resources.

Zoom Link:

<https://ucanr.zoom.us/j/751701428?pwd=Q1ZrbUtoQVJwMXJVRkQydUlwNytJQT09>

Password: 4Learning | +1 669 900 6833 | Webinar ID: 751 701 428

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