Cost Share

Office of Sponsored Programs
Overview

• Introduction to Cost Share
• Proposing and Budgeting Cost Share
• Cost Share Setup
• Charging Cost Share
• Reviewing Cost Share
• Resources
Introduction to Cost Share
What is Cost Share?

- Cost share is a portion of project costs related to a sponsored award that is not contributed by the sponsor.
Cost Share = Real Costs

- Cost share represents real costs to GMU
  - Represents a redirection of University resources from instruction or other activities to support a sponsored project
  - The PI, unit chair, dean or director, and other administrators should carefully weigh the cost effectiveness and the expected benefits of cost sharing prior to making the commitment in a proposal
  - Effort committed may not exceed that allowed by the faculty or staff member’s appointment
  - Funds expended by GMU in cost sharing result in a lower F&A (indirect) rate
Cost Share Requirements

• Cost share must:
  ➢ Be necessary and reasonable for accomplishment of project objectives
  ➢ Not be included as contributions toward any other project
  ➢ Be incurred during the project period of performance
  ➢ Be tracked and verified
  ➢ Be allowable and conform to the Uniform Guidance provisions
Cost Share Types and Sources

- **In-kind**
  - Source: GMU unit, center, or PI org (E&G, pooled, or indirect orgs)

- **Third party**
  - Source: other organizations
  - Must be tracked, verified, and approved by the third party
  - Third party reports cost sharing to GMU, who then reports it to the sponsor

- **Unrecovered indirect (F&A)**
  - Source: shortfall in reimbursed indirect costs
  - Only used if:
    - The sponsor requires cost share
    - The sponsor allows unrecovered indirect as a cost share contribution
    - The award’s indirect cost rate is lower than GMU’s standard indirect rate
Why Do We Cost Share?

• Voluntary
  ➢ If PI or unit funding is necessary to ensure successful project completion
  ➢ Only included in the budget with PI and unit input
  ➢ Can be added later in the project period if needed

• Mandatory
  ➢ If the sponsor requires cost sharing as a condition of award
  ➢ Gets included in the budget at the proposal stage
Salary Cap: Mandatory Cost Share

• Some sponsors limit the salary rate that can be directly charged to grants, contracts, and cooperative agreements
• The cap establishes a maximum annual rate of pay at which an individual’s effort can be charged to a sponsored project
• The amount of salary that can be charged to an award is calculated based on proposed effort (FTE)
• The institution must cover the difference between the salary cap and the associated FTE that will be worked on the project
NIH Salary Cap

- Sponsors that follow the NIH salary cap:
  - Administration for Children and Families (ACF)
  - Agency for Healthcare Research and Quality (AHRQ)
  - Centers for Disease Control and Prevention (CDC)
  - Centers for Medicare and Medicaid Services (CMS)
  - Food and Drug Administration (FDA)
  - Health Resources and Services Administration (HRSA)
  - National Institutes of Health (NIH)
  - SAMHSA
  - Susan G. Komen Foundation (contact OSP for rate)
NIH Salary Cap (Cont.)

- Executive level II salary cap (effective January 10, 2016):
  - $185,100 – 12 month faculty
  - $138,825 – 9 month faculty
  - $46,275 – Summer faculty (cash)

- The cost share requirement does not apply to any personnel under these salary cap amounts.
DOJ Salary Cap

- Sponsors that follow the DOJ salary cap:
  - Assistant Attorney General
  - Administration
  - Audit, Assessment, and Management
  - Bureau of Justice Assistance
  - Bureau of Justice Statistics
  - Chief Financial Officer
  - Chief Information Officer
  - Civil Rights
  - Communications

- Equal Employment Opportunity Office
- General Counsel
- National Institute of Justice
- Office for Victims of Crime
- Office of Juvenile Justice and Delinquency Prevention
- Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking Office
DOJ Salary Cap (Cont.)

• You may not pay cash compensation (salary plus bonuses) to any employee at a rate that exceeds 110% of the annual salary payable to someone at the Federal Government’s Senior Executive Service (SES) level

• Executive level II salary cap (effective January 10, 2016):
  • $203,610 – 12 month faculty
  • $152,707 – 9 month faculty
  • $50,903 – Summer faculty (cash)

• The cost share requirement does not apply to any personnel under these salary cap amounts
Proposing and Budgeting
Cost Share
Pre-Award Process

- OSP Grants Administrator
  - Reviews sponsor and proposal guidelines for any cost share requirements (salary cap, unrecovered indirect, 1-1 match, etc.)
  - Includes any mandatory cost share in the budget based on PI input
  - Only includes voluntary cost share in the budget if the PI requests it
Pre-Award Process (Cont.)

• Principal Investigator
  • Works with OSP Grants Administrator to develop sponsor budget and any needed cost share budget
  • Works with their unit to ensure cost share can be covered
  • Identifies the org number that will cover the cost share portion
  • Approves the routing form
• Person with signature authority for the org number must also approve the routing form
### Example Proposal Budget

#### George Mason University - Proposal Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>Effort%</th>
<th>Period 1</th>
<th>Period 2</th>
<th>Period 3</th>
<th>Total</th>
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<tr>
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<td>06/01/2014</td>
<td>08/01/2015</td>
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<td></td>
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<td>Fringe Benefits</td>
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<td>$4,141.53</td>
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<tr>
<td>Laboratory Supplies</td>
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<td>$15,070.57</td>
<td>$33,241.90</td>
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<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Subtotal Materials</td>
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<td>$3,100.76</td>
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<td>$15,070.57</td>
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<td>$16,044.14</td>
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<td>$50,000.00</td>
<td>$110,000.01</td>
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</table>

#### George Mason University - Proposal Budget Summary - Cost Share

<table>
<thead>
<tr>
<th></th>
<th>Effort%</th>
<th>Period 1</th>
<th>Period 2</th>
<th>Period 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>09/01/2013</td>
<td>08/01/2014</td>
<td>08/01/2015</td>
<td></td>
</tr>
<tr>
<td><strong>Senior Personnel</strong></td>
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<td>$7,897.15</td>
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<td>NIH salary cap</td>
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<td></td>
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<td>Faculty Salary:</td>
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<td>$853.69</td>
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<td>Academic or Calendar</td>
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<td></td>
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<tr>
<td>NIH salary cap</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td></td>
<td>$239.60</td>
<td>$1,092.76</td>
<td>$1,125.55</td>
<td>$2,458.91</td>
</tr>
<tr>
<td>Subtotal Personnel + Fringe</td>
<td></td>
<td>$1,039.49</td>
<td>$4,082.92</td>
<td>$5,132.48</td>
<td>$11,255.95</td>
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<tr>
<td>Total Cost Share</td>
<td></td>
<td>$1,610.16</td>
<td>$7,337.45</td>
<td>$7,557.57</td>
<td>$16,505.18</td>
</tr>
</tbody>
</table>
Example Proposal Routing Form

Transaction Information

Transaction: [redacted]
Date: 30-Nov-2000 02:44:20 PM
Grant Admin Name: [redacted]
Grant Admin NetID: [redacted]

Comments: Dear [redacted],
Please review the attached routing form, if it meets your approval,
complete the required information and hit the 'complete' button. If corrections are required,
please 'return to the initiator.' Thank you,

Note: [redacted] will sign as both PI and cost-share approver

Proposed Cost Share Fund/Org: [redacted]

GMU Cost Sharing/In-kind Contribution:

Please sign and provide a fund/org (account) number for the GMU cost share and/or in-kind contribution.

Faculty Name [redacted]
FTE Amount 0.02 (FTE) X 28.09% = $11,208

Signature (person responsible for org/fund) [redacted] date
Fund/Org (Account) Number [redacted]
Cost Share Setup
OSP Cost Share Setup

- OSP receives an award with cost share
  - Even if a sponsor does not require cost share, if cost share was proposed to the sponsor, and the proposal gets awarded, then the voluntary committed cost share becomes mandatory
- Post Award
  - Reviews the award for type of cost share
  - Requests the activity code to be created
  - Links the activity code to the org number provided on the routing
  - Enters the cost share budget into Banner
    - Salary cap cost share gets $1 budget
  - Sends an email with award letter to the PI and/or Department containing:
    - Award Budget with cost share requirement
    - Assigned activity code to use
    - A link to GMU’s Cost Sharing policy
Activity Code

- Used for indicating cost share expenses associated with a sponsored project at GMU
- Example:

  - Sponsored Fund 20XXXX
  - Cost Share Org 10XXXX
    - Activity Code 00XXXX
  - Total Project Costs
Activity Code (Cont.)

- The first two characters of the activity code are determined by the sponsor type and cost share type
  - 00 – Federal sponsors (Funds 20XXXX)
  - 99 – Non-Federal sponsors (Funds 22XXXX)
  - SC – Salary cap cost share
- The last four digits of the activity code correspond to the Fund number of the associated sponsored project
  - Example: Activity code is 001001 for cost share associated with Fund 201001
Example Award Letter

Office of Sponsored Programs
4400 University Drive, MS 4C6, Fairfax, Virginia 22030
Phone: 703-993-4806; Fax: 703-993-2296

TO: [blank]
FROM: Research Administrator, OSP
DATE: August 20, 20
SUBJECT: [blank]

PROPOSAL NO.: [blank]
GRANT/FUND NO.: [blank]
COSTSHARE ACTIVITY CODE: SC [blank]
NIH SALARY CAP: $179,700 (Executive Level II)

(Please Reference for Charging Expenditures and Banner Reporting)
Charging Cost Share
Funding Change Form (FCF)

• Used for assigning effort (labor) to orgs, funds, and cost share activities
• Refer to award budget to see if the person you are completing the FCF for should have any cost share effort
• Find the activity code for the project along with the org number that it was setup under
• You must include the activity code and the org number on the FCF so that it will be tracked and entered into Banner correctly
Example FCF

George Mason University Faculty/Staff Department Funding Change Form (Temporary)

- Directions: This worksheet is for changes to current jobs only. **ALL SHADEd FIELDS ARE MANDATORY**

Job Information
- Effective Date of Funding Change: 25-Aug-2013
- Department: [Redacted]
- Campus/Location: Fairfax
- Job Title: Professor
- Home Department Org: [Redacted]
- Classification: 9-month
- pay period 9-month $65,000.00
- Pay per pay period $5,277.78

Funding Change Reason
- 1. Future Pay
- 2. Reallocation - complete box to the right
- 3. Reallocation & Future Pay - complete box

New Compensation/Labor Distribution
- Activity: NASA
- Fund: [Redacted]
- Type: Fund/Org Activity
- %: 50.00%
- Funding End Date: 9-Jan-2013
- # of pay periods 9.00

<table>
<thead>
<tr>
<th>Type</th>
<th>Fund/Org Activity</th>
<th>%</th>
<th>Funding End Date</th>
<th># of pay periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>202</td>
<td>50.00%</td>
<td>$23,750.00</td>
<td>9-Jan-2013</td>
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<tr>
<td>Fund</td>
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<td>10.00%</td>
<td>$4,750.00</td>
<td>9-Jan-2013</td>
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<tr>
<td>Fund</td>
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<td>9-Jan-2013</td>
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<td>0.00%</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Fund</td>
<td>[Redacted]</td>
<td>0.00%</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Fund</td>
<td>[Redacted]</td>
<td>0.00%</td>
<td>$0.00</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL: 100.00%

Check One
- Funding is for future pay only - Go to Approvals (Skip Questions 1 & 2)
Journal Voucher (JV)

• Refer to award budget to see if there are non-labor (direct) expenditures that are being cost shared

• If there is a direct expenditure transaction that has already posted, an activity code can be added using a JV
Example JV

<table>
<thead>
<tr>
<th>Fund or Org to be Charged</th>
<th>Account (5 digits)</th>
<th>Activity (pre-approved)</th>
<th>Amount</th>
<th>Description</th>
<th>Fund or Org to be Credited</th>
<th>Account (5 digits)</th>
<th>Activity (pre-approved)</th>
<th>Reference (if applicable)</th>
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</thead>
<tbody>
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<td>99</td>
<td>501.53</td>
<td>Lab supplies</td>
<td>10</td>
<td>74410</td>
<td>J</td>
<td></td>
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</table>
Reviewing Cost Share
Reviewing Cost Share

• The unit and/or PI are responsible for reviewing cost share associated with sponsored funds and ensuring that they meet the proposed cost share amounts (or correct salary cap amounts)

• The following reports to use for reviewing cost share:
  ➢ Microstrategy Report – Grants Cost Share
  ➢ Monthly report sent by OSP
### Grant Cost Share Table

<table>
<thead>
<tr>
<th>Activity</th>
<th>Org L3 Div</th>
<th>Account Group</th>
<th>FY Revised Budget</th>
<th>FY Actuals</th>
<th>Percent</th>
<th>FY Open Commitments</th>
<th>FY Balance</th>
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<tbody>
<tr>
<td>00</td>
<td>School</td>
<td>Faculty (61110)</td>
<td>4,278</td>
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<td>0.00%</td>
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<td>4,278</td>
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<tr>
<td></td>
<td></td>
<td>Admin Faculty (61220)</td>
<td>0</td>
<td>1,573</td>
<td></td>
<td>555</td>
<td>(2,128)</td>
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<tr>
<td></td>
<td></td>
<td>Fringe (61900-61999)</td>
<td>1,458</td>
<td>538</td>
<td>36.89%</td>
<td>190</td>
<td>730</td>
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<td>Direct Expenditures</td>
<td>12,768</td>
<td>11,640</td>
<td>91.17%</td>
<td>0</td>
<td>1,128</td>
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<tr>
<td></td>
<td></td>
<td>(70000-79999)</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
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<td></td>
<td>18,504</td>
<td>13,751</td>
<td>74.31%</td>
<td>745</td>
<td>4,008</td>
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*Where Innovation Is Tradition*
### Monthly Cost Share Report

**Fiscal Year 13**

<table>
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<tr>
<th>Grant</th>
<th>Activity</th>
<th>PI</th>
<th>Acct Code</th>
<th>Budget</th>
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<td>$1,287.00</td>
<td>27.41%</td>
<td>9/16/2013</td>
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</table>

This Spreadsheet is usually sent to the Department Liasons at the beginning of each Month for Verification and Review.
Resources

- University Policy Number 4016 – Cost Sharing
  - [http://universitypolicy.gmu.edu/policies/cost-sharing/](http://universitypolicy.gmu.edu/policies/cost-sharing/)
- Federal guidelines for cost sharing
  - The Office of Management and Budget, Uniform Guidance, section 200.306
  - [https://www.whitehouse.gov/omb/grants_docs](https://www.whitehouse.gov/omb/grants_docs)
Questions?

Contact:

Beth Ives
Manager, Reporting and Billing
703-993-2989
bives@gmu.edu