



University of California
San Francisco

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Cost Sharing Training

Controller's Office

*Andrew Boulter, Contracts &
Grants and Michael Grafton,
Extramural Funds*

June 17, 2009

Wednesday, June 17, 2009

3:15-4:15 pm

*N-225 (Parnassus) w/ live broadcast to
Genentech Hall (Mission Bay) and
Fresno Campus*

Cost Sharing

- **Committed cost sharing is a binding commitment by the University to a sponsor**
 - It is subject to audit as well as federal and sponsor regulations
 - It is the responsibility of the PI/Dept to ensure that expenditures are made in accordance with applicable regulations and policies

See: UCSF Administrative Policy Website (APW) 400-17

<http://poicies.ucsf.edu>

Cost Sharing – Definition

- Committed Cost Sharing is a portion of the project costs that are not borne by the sponsor
- It is usually a contribution of effort, but may be other costs, which are quantified in *the budget, the budget justification, the proposal narrative or the award document*
- Committed Cost Sharing can be either mandatory or voluntary

Cost Sharing - Mandatory

- **Mandatory Cost Sharing is required by the sponsor in either in the funding announcement, sponsor policy, or by statute**
- **It will usually require a specific level of commitment by the University to bear the costs of the project**
 - E.G. the requirement can be specified as a fixed percentage of the costs of the award
- **NOTE: Federal funds cannot be used as a source for cost sharing**

Cost Sharing - Voluntary

- **Voluntary Cost Sharing is a commitment of resources to the project that:**
 - are quantified in the application, but will not be paid for by the sponsor
 - are **not required** to be shared by the sponsor's funding announcement, by the sponsor's policy or by federal statute
- **NOTE: Federal funds cannot be used as a source for cost sharing**

Cost Sharing - Voluntary

- **Most of the cost sharing on campus is voluntary and in the form of committed effort by personnel with no salary charged on the budget**
 - Effort on the budget with no salary requested
 - Effort on the budget at 15% but only requesting 10% funding
 - Receiving an award with no budgeted effort for the PI (University policy requires PI effort on all projects.)

Cost Sharing – Voluntary

- **Although most voluntary cost sharing is a commitment of effort with no salary, be aware of commitments of other resources that are quantifiable and qualify as voluntary cost sharing**
 - E.G.: the proposal budget includes a line item of equipment that costs \$20,000 but only \$15,000 is requested of the sponsor

Cost Sharing OSR Approval Form/Proposal Express

- If cost sharing, whether mandatory or voluntary, is included in the application, then the appropriate boxes in Proposal Express must be completed

The screenshot shows the Oracle OSR Approval Form/Proposal Express interface. The main content area displays the following information:

- Proposal ID:** P0011964
- Title:** Measuring the Effectiveness of Sleep Apnea Surgery
- PI Name:** Eric J. Kazinan, MD, MPH
- PI ID:** 000214
- PI RA:** 020660041
- Dept Code:** 397154
- Sponsor ID:** 10548
- Sponsor Due Date:** 03/12/2007
- OSR Due Date:** 03/05/2007
- Number of Copies to OSR:** Original: 6 copies (includes one for OSR)
- Proposal Title:** Measuring the Effectiveness of Sleep Apnea Surgery
- Start Date:** 07/01/2007
- End Date:** 06/30/2012
- REPIRA Title:** Resubmission of No. 99004492
- Action Type:** Grant
- Purpose:** Institution
- Mandatory cost sharing?:** Yes No
- Voluntary committed cost sharing?:** Yes No
- Program Income Anticipated:** Yes No
- Was Proposal submitted as RAP, eSNAP, or After The Fact?** **Does the proposal need to be submitted electronically?** Yes No
- Locations:** Department to which space is assigned: 397154 OTOLARYNGOLOGY
- Project is on campus at check site(s):** **Project is off campus at check site(s):**

Cost Sharing OSR Approval Form/Proposal Express

- This information will then print on the OSR Approval Form submitted to Contracts & Grants

| Direct Costs | F&A Costs | Total | Total including F&A Costs |
|-----------------|----------------------------------|---|---|
| F&A Rate: | | | |
| F&A Base: | Esc Rt? <input type="checkbox"/> | COMMITTED COST SHARING | |
| Anticipated | <input type="checkbox"/> Yes | Mandatory? <input type="checkbox"/> Yes <input type="checkbox"/> No | Voluntary committed? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Program Income? | <input type="checkbox"/> No | If yes, amount: | If yes, amount: |
| | | Source(s): | Source(s): |

Cost Sharing OSR Approval Form/Proposal Express

- Please note that in either case, mandatory or voluntary, the dollar amount of the cost sharing and the DPA/fund that will bear the cost must be listed

| Direct Costs | F&A Costs | Total | Total including F&A Costs |
|---|-----------|---|---|
| F&A Rate: | | COMMITTED COST SHARING | |
| F&A Base: Esc Rt? <input type="checkbox"/> | | Mandatory? <input type="checkbox"/> Yes <input type="checkbox"/> No | Voluntary committed? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Anticipated <input type="checkbox"/> Yes | | If yes, amount: | If yes, amount: |
| Program Income? <input type="checkbox"/> No | | Source(s): | Source(s): |

Cost Sharing

Important points in proposal submission

- **Do include a level of effort for PIs on all applications**
 - Note: some specific grants (e.g. equipment or construction grants) do not require PI effort
- **Do specify if the effort is paid or unpaid for key personnel in NIH Modular Grant budget justification**
- **Do list cost sharing on UC/UCOP awards (if salary is not allowed for the PI)**
 - Note: the EMF cost sharing template will not need to be completed for UC/UCOP awards

Cost Sharing

Important points in proposal submission

- **Do NOT include a level of effort for consultants, where possible**
 - List them as “effort as needed”
- **Do NOT include a level of effort for faculty on NIH Training Grants (T32s)**
- **Do NOT include a level of effort for mentors on NIH Career Development Awards (K series)**
 - List them as “effort as needed”

Cost Sharing

Important points in proposal submission

- Be sure to check the sponsor's funding announcement carefully to spot potential or "hidden" cost sharing
 - E.G. not allowing PI salary
- Please note that should cost sharing be identified in the application during C&G's review, *the OSR Approval Form will need to be revised in Proposal Express, and the Chair will need to confirm approval of the commitment of funds by email or by signing the revised OSR Approval Form*

Cost Sharing Steps Taken by Extramural Funds

- 1) Award notification is e-mailed to the department and to the EMF award setup team.

If there is a cost sharing commitment, it will be on the e-mail notification.**

2. This award has been identified as having a cost sharing component. Please download and complete a new Cost Sharing Budget Template and forward it to emfcostshare@ucsf.edu . Templates and additional information are available via the Extramural Funds Website:
http://acctg.ucsf.edu/extramural_funds/policies/index.htm
<http://acctg.ucsf.edu/extramural_funds/policies/index.htm>

Cost Sharing Steps Taken by Extramural Funds

- 2) Once the award department code and primary DPA are verified by the department, EMF creates an award synopsis. The award synopsis has the cost sharing information that has carried over from the proposal cycle.**

| Cost Sharing Details | | | |
|-----------------------------------|---|-------------------|------------------------------------|
| Mandatory Cost Sharing: | N | Amount: 0.00 | Source: |
| Voluntary Committed Cost Sharing: | Y | Amount: 59,264.00 | Source: 404991-35970, 419911-35970 |

Cost Sharing Steps Taken by Extramural Funds

- 3) At this point, the department **MUST** complete the cost sharing budget commitment template. The template can be found on the following website:

http://acctg.ucsf.edu/extramural_funds/policies/Cost_Sharing/resources/COST_SHARING_TEMPLATE_REVISION_rev_082908.xls

Cost Sharing Steps Taken by Extramural Funds

- 4) When the department completes the cost sharing budget commitment template, it should e-mail it to the following address:

EMFCostShare@ucsf.edu

Cost Sharing Steps Taken by Extramural Funds

5) On a weekly basis, EMF service team #1 reviews all cost sharing budget commitment templates. The review attempts to answer various questions:

Cost Sharing Steps Taken by Extramural Funds

- (a) Is the cost sharing commitment on the award synopsis for an Axxxxxx award in the PeopleSoft research administration system?

If yes, go to question (b).

If no, then EMF calls the department to clarify why there is no cost sharing in the Axxxxxx award synopsis.

Cost Sharing Steps Taken by Extramural Funds

(b) Is the cost sharing commitment *reasonable*.

Examples:

Does the cost sharing effort exceed 20% for a given employee?

Is the cost sharing more than 10% of the award total.

This review is highly subjective, so focuses on effort or dollar commitments that seem excessive.

If there is no situation that seems beyond the norm, then go to question (c). Otherwise, EMF will call the department to verify the data.

Cost Sharing Steps Taken by Extramural Funds

- (c) Does the total amount on the cost sharing budget commitment template match the amount in the award synopsis?

The review is for *materiality*. Because the budget template rounds off benefits to 15%, there may be some variance between the award synopsis and the budget template.

If yes, go to step (d).

If no, EMF calls the department for clarification.

Cost Sharing Steps Taken by Extramural Funds

- (d) Is the cost sharing commitment being met by a sponsored award that is funded by the National Institutes of Health, either as a prime award or as a federal flow through subcontract?

If no, then go to question (e).

If yes, then we do not need to either record or report on the cost sharing, because both the target and source

funds are within the same sponsor agency.

Cost Sharing Steps Taken by Extramural Funds

(e) Is the cost sharing commitment being met by any other restricted fund source?

Restricted fund sources include other sponsored project funds, gifts, and endowment funds.

If yes, secure approval from the restricted fund sponsor to use the sponsored project fund to meet the cost sharing commitment.

For gift and endowment funds, the department will need to review the intent of the donor or check the endowment terms, but a letter is not required.

Cost Sharing Steps Taken by Extramural Funds

- 6) Once all of the preliminary review questions are addressed, EMF will set up a program code in the account fund profile.

```

SFDPU00-A5771                Department System      06/15/09 10:29:33
                             Program Code Update      Userid: SFACCM4

Short Name                    Department Name      EntityType Loc DeptCd  OUC    DV
MED-HOSPITALIST MED-CAMPUS-HOSPITALISTS  DIVISION      866726  6136  24

Program Code: 15260 Cost Share?: Y

Program Name: COST SHARING FOR FUND 15260-01
Manager Name: HAUER, KAREN E.

Program Owner's Department Code: 866726
Program Owner's Department Loc: 2
  
```

Cost Sharing Steps Taken by Extramural Funds

7) The program code will update overnight.

Once this occurs, EMF will post the cost sharing budget commitment on a source code 135 budget adjustment journal:

- debit to NCA code 430200
- credit to NCA code 430100 *with program code*

Cost Sharing Steps Taken by Extramural Funds

- 7) The journal should post ALL known future cost sharing commitments on the award, by fund year.**

Cost Sharing Steps Taken by Extramural Funds

7) The journal will have the following attachments:

- a) the cost sharing budget commitment template, converted to PDF format**
- b) any approvals from sponsors to use restricted funds to meet the cost sharing commitment**

Cost Sharing Steps Taken by Extramural Funds

GL transaction detail for 08/1979 to 01/2009 (OPEN)
run date - 06/15/2009 10:37

| src | NCA | Prog | Line Description 1 | Budget | Financial | Lien PO | Invoice | Invoice | Jrnl | Jrnl | Reference | Posted | Dt |
|--|--------|-------|-------------------------|------------|-----------|---------|---------|---------|-----------|------------|-----------|------------|----|
| Preprid | | | | | | ID | ID | Dt | ID | Dt | | | |
| FundFY - 15260-01 JOSIAH MACY, JR FDN - HAUER, K | | | | | | | | | | | | | |
| DPA - 444918 MR-MEDICINE-GENERAL | | | | | | | | | | | | | |
| NCA Group - 430100 COST SHARING COMMITMENT | | | | | | | | | | | | | |
| NCA - 430100 COST SHARING COMMITMENT | | | | | | | | | | | | | |
| 135 | 430100 | 15260 | COST SHARING COMMITMENT | 19,173.00- | 0.00 | 0.00 | | | 08MKW1490 | 02/23/2009 | 1008-0909 | 02/26/2009 | |
| SFACCR5 | | | | | | | | | | | | | |
| 135 | 430100 | 15260 | COST SHARING COMMITMENT | 19,749.00- | 0.00 | 0.00 | | | 08MKW1490 | 02/23/2009 | 1009-0910 | 02/26/2009 | |
| SFACCR5 | | | | | | | | | | | | | |
| 135 | 430100 | 15260 | COST SHARING COMMITMENT | 20,341.00- | 0.00 | 0.00 | | | 08MKW1490 | 02/23/2009 | 1010-0911 | 02/26/2009 | |
| SFACCR5 | | | | | | | | | | | | | |
| Total: | | | | 59,263.00- | 0.00 | 0.00 | | | | | | | |
| Total: | | | | 59,263.00- | 0.00 | 0.00 | | | | | | | |
| NCA Group - 430200 COST SHARING OFFSET | | | | | | | | | | | | | |
| NCA - 430200 COST SHARING OFFSET | | | | | | | | | | | | | |
| 135 | 430200 | | COST SHARING OFFSET | 20,341.00 | 0.00 | 0.00 | | | 08MKW1490 | 02/23/2009 | 1010-0911 | 02/26/2009 | |
| SFACCR5 | | | | | | | | | | | | | |
| 135 | 430200 | | COST SHARING OFFSET | 19,173.00 | 0.00 | 0.00 | | | 08MKW1490 | 02/23/2009 | 1008-0909 | 02/26/2009 | |
| SFACCR5 | | | | | | | | | | | | | |
| 135 | 430200 | | COST SHARING OFFSET | 19,749.00 | 0.00 | 0.00 | | | 08MKW1490 | 02/23/2009 | 1009-0910 | 02/26/2009 | |
| SFACCR5 | | | | | | | | | | | | | |
| Total: | | | | 59,263.00 | 0.00 | 0.00 | | | | | | | |
| Total: | | | | 59,263.00 | 0.00 | 0.00 | | | | | | | |
| Total: | | | | 0.00 | 0.00 | 0.00 | | | | | | | |
| Total: | | | | 0.00 | 0.00 | 0.00 | | | | | | | |
| Totals: | | | | 0.00 | 0.00 | 0.00 | | | | | | | |

Cost Sharing Steps Taken by Extramural Funds

QUESTIONS?