

<i>Topic</i> Sponsored Award Administration Management	<i>Category:</i> Cost Share	<i>Policy No:</i> 5.80.04	<i>Effective Date:</i> 12/26/14	<i>Page No:</i> 1 of 3
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Purpose: To ensure that cost sharing requirements of sponsored agreements are proposed, accounted for, and reported in a manner consistent with the requirements set forth in federal regulations.

Policy:

1. It is the policy of the Boyce Thompson Institute for Plant Research (BTI) that all contributions, including cash and third party in-kind, shall be accepted as part of BTI's cost sharing when such contributions are necessary and reasonable for the project's objectives and meet all of the following criteria
 - Are verifiable, either within BTI's sponsored award accounting system or properly documented, if provided by sources outside BTI
 - Are incurred during the effective dates of the award.
 - Are not included as contributions for any other federally sponsored award.
 - Are allowable under the applicable cost principles of OMB Circular A-122, Cost Principles for Non-Profit Organizations (prior to 12/26/2014), 2 CFR 200 Uniform Guidelines (as of 12/26/2014).
 - Are provided for in the approved budget when required by the agency.
2. Expenditure categories that cannot be used for cost share include:
 - Use charges for equipment, computers, or networks that already exist and are included in BTI's F&A (indirect) rate.
 - Use charges for land or buildings owned by BTI and are included in BTI's F&A (indirect) rate.
 - Salaries and fringe benefits of administrative/clerical personnel (unless these costs have been approved in the proposal process as cost share and would be allowed as a direct project expense).
 - Funds received from a federal source (unless the federal agency agrees to cost share with another federal sponsor).
 - Expenditures that have previously been reported as cost share.
3. Cost sharing is defined as that portion of a project or program cost that is not reimbursed by the sponsor, but is nonetheless part of the costs of that project or program. Cost sharing represents a commitment by BTI or third party and may be in the form of dollars, commitment of effort or in-kind contribution. The amount of cost sharing should be balanced between what is mandated by the sponsor, what is necessary for the proposal to be competitive, and what can be committed and accounted for after an award is made.
4. If cost sharing is not required by the sponsor, necessary for completion of the project, or to ensure the competitiveness of a proposal, principal investigators / project leaders should refrain from making such commitments voluntarily.

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5. When an agreement is received that has cost sharing indicated (either in the agreement itself, or in the proposal, which becomes a part of the agreement), the Business Office will set up the appropriate cost sharing fund(s), and notify the Principal Investigator (PI)
6. Once an award is made, all cost sharing commitments are considered to be mandatory and represent binding obligations by BTI regardless of whether cost sharing is mandated by the sponsor or it is voluntarily offered by BTI or PI.
7. The use of cost sharing should be kept to a reasonable level because of the burden that cost sharing places on BTI resources. All cost sharing expenses for the project will be recorded in a restricted cost share fund. If mandatory cost share is not met, the award will be reduced in proportion to the amount of cost share not met.
8. The grants manager will identify a source of funds to cover the proportional amount of award expenses not billable to the sponsor due to the reduction of the award. The same amount will be returned to the sponsor if previously invoiced and received from the sponsor. The department will notify the grant manager to set up a cost share fund when needed for non-mandatory cost share.
9. When an award requires cost sharing, documentation will be posted in the BTI accounting system through use of a restricted fund, which will be set up for each agreement which requires cost sharing.

The following chart describes BTI's typical categories of cost sharing:

Cost Share Category	Restrictions	How Tracked by BTI
Effort of Principal Investigator / Project and/or employees devoted to sponsored agreements, including employee benefit costs.	All activities including cost share may not exceed 100% total effort. Activities include instruction, research, Dept. Admin. and public service.	Charged to cost sharing account specifically established for project.
Equipment purchased for use by the project.	Equipment must be titled to BTI and must be purchased between the start and end dates of the parent award.	Charged to cost sharing account specifically established for project.
Supplies and services purchased for the project.	Must be purchased between the start and end dates of the parent award.	Charged to cost sharing account specifically established for project.
Travel when related to project.	Must be purchased between the start and end dates of the parent award.	Charged to cost sharing account specifically established for project.

POLICY

COST SHARING ADMINISTRATION

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	Indirect costs on cost share salaries, benefits, supplies and services.	Only if proposed and allowed by sponsor.	Calculated and reported by Business Office.	
	Volunteer services.	Hours and value must be documented.	Documented and certified by principal investigator / project leader.	
	Subcontractor's portion of cost sharing.	Same type of costs as allowed by BTI.	Reported with subcontractor's invoices.	
	Unrecovered indirect cost - the difference between what the sponsor allows and what BTI is authorized to charge.	Sponsor must allow using this as cost sharing.	Calculated and reported by Business Office.	