# **UMASSD Cost Share Monitoring Procedures**

**Background**

Cost share is the portion of a project cost that is paid but the University or received as in-kind cost share from outside organizations. Cost share may be in the form of a required dollar match for every dollar spent through the sponsored award. Federal regulations, Uniform Guidance 2 CFR 200, require that cost share be necessary and reasonable to accomplish the project goals, allowable per the federal cost accounting principles and regulations as well as allowable under University and state guidelines. Cost Share must also be verifiable in the university’s accounting system.

**Types of Cost Share**

**Cost Shared Effort**

Once effort is committed to a sponsor in a proposal it must be tracked, certified and documented once an award is made even if the award does not specify the effort. Effort committed in a proposal for which salary is not requested is considered voluntary cost share and must be tracked, certified and documented in the same manner as effort for which salary is requested. Any decrease in effort over 25% must be reported to the sponsor for sponsor approval.

Principal Investigators, Project Directors and Faculty must indicate their expected academic year and summer effort on the routing form. Cost shared effort should also be included on the internal cost share form along with the account that the salary is charged and appropriate signatures.

In order to track pending and actual commitments the following steps are required in the grant module of PeopleSoft and ECRT for effort reporting.

* Committed effort on a proposal must be entered in the Resource tab of the proposal page for all faculty. Any other individual with cost shared effort must also have their commitment listed on the resource tab.
* Cost share must be indicated in the additional information section on the award profile. A complete description of the cost share is to be entered in the Comments box.
* All cost shared as well as paid effort for faculty and project directors must be recorded on the Project Team page. Cost shared effort of non-key personnel must also be indicated on the Project Team page
* A separate speedtype must be requested from Accounting and used to charge cost shared salary for all employees. Speedtypes must be the same fund and department as the account funding the cost share but the program type/purpose must be the same as the sponsored award. The speedtype must be set up prior to releasing the sponsored award for spending.
* Prior to releasing a speedtype for spending and finalizing the project budget payroll must be notified to make the appropriate payroll adjustments.
* Cost Shared effort is included in ECRT for effort reporting.
* All differences greater than 5% of committed effort and certified effort must be investigated and cumulative changes tracked to determine if and when sponsor approval is required.

**Nonpayroll Cost Share**

Nonpayroll cost share includes tuition, equipment, supplies and any other direct nonpayroll cost paid by the University to meet the project goals.

* Nonpayroll cost share is to be included on the internal cost share form at time of proposal indicating account that will provide the funding and appropriate signatures.
* A separate speedtype must also be established for any non payroll cost share (except tuition) using the same fund and department as the account providing the funding and the program type/purpose of the sponsored award. The cost share speedtype must be set up prior to releasing the sponsored award for spending.
* Cost share must be indicated in the additional information section on the award profile. A complete description of the cost share is to be entered in the Comments box.

**In-kind Cost Share**

In-kind cost share is the provision of goods and services provided by sources outside of the University and is therefore not reflected in the University Financial Records.

In-kind cost share should be clearly stated in the proposal and detailed on the proposal cost share forms. How the value of the goods or services was determined needs to be provided to ORA at the time of proposal. Budgets should also be provided if applicable.

**Subrecipient Cost Share**

Cost Share is frequently also flowed down to subrecipients. At time of proposal the subrecipient is to provide a detail cost share budget and justification along with the sponsored budget and justification. Subrecipient cost share is also not reflected in the University’s financial system.

Subrecipients are required to submit a monthly accounting report of cost share along with their invoice for payment. The accounting record should reflect the budget line items and provide sufficient detail for review for unallowable expenditures. Prior to ORA approval of invoice payment the Pre-Award and Subrecipient Manager should sign off on the cost share.

**Cost Share Expense Monitoring**

As stated above cost share must be verifiable in the accounting records and it must also be reported to sponsors. An excel tracking sheet is to be used for each project with cost share.

* The cost share budget needs to be summarized on the cost share excel tracking form by line item and personnel by the grant accountants. The heading of the worksheet should include the speedtypes where cost share is charged.
* At the time of invoicing but no less than quarterly accounting reports should be run for all cost share accounts. Inquiries should be sent to organizations providing in kind cost share for detail of the cost share met. Cost share met must be in the same form as that committed. Inquiries to outside parties providing in-kind cost share should include a deadline consistent with general invoicing terms 3-4 weeks). The PI should be contacted immediately if the deadline is not met and a follow-up request made with a deadline of 2 weeks. See next bullet for steps to take if no response or contributions are below pace.
* The actual expenditures should then be entered into the excel cost share file. The excel sheet is set up to monitor the level of cost share met to the budget. If the level of cost share spending is below expectations, the PI should be contacted to determine if there is a potential problem.
	+ If cost share is not being charged to the cost share account cost transfers must be prepared to capture the cost share in the appropriate cost share chartfield.
	+ If cost share is below pace the PI must submit documentation as to how the cost share will be made up. Pace should be determined by comparing the percentage of cost share met to the percent of time that has passed. If a PI does not respond within 2 weeks, the grant manager and director of ORA or designees should be contacted to determine further action.
	+ Tuition is to be recorded in the semester incurred.
* Accounting for State fringe benefits: The University of Massachusetts receives an appropriation from the Commonwealth of Massachusetts (State) intended to fund full or part-time benefited employees. The State approves a benefit rate annually and sets aside funds equal to that benefit rate monthly as employees are paid their salaries. Special funds identified in the PeopleSoft accounting system are used to record the payroll expenditures for these employees with special account codes for which these benefits are assessed. Since this allocation is a calculation, detailed accounting lines are not created, however, the allocation looks at all the payroll that was charged in each chartfield string and books a summary fringe benefit expense to a separate fund number at the same department level making it identifiable to the campus as a State funded expense.
* At each effort reporting cycle commitments, payroll and certified effort must be reconciled and any required corrections made.
* All paper documentation is to be filed in the last section of the project folder
* Individual project cost share excel files are to be maintained in the cost shared folder on the ORA shared drive.

UMASSD Policy on cost sharing (ACA-022) can be found at: https://www.umassd.edu/media/umassdartmouth/university-policies/new-policies/policies-2019/ACA022-1.11.19.pdf