

The University of Texas at El Paso Cost Share Policy

Policy

- Sec. 1 **Purpose.** The purpose of this Policy is to provide requirements, guidelines, and procedure for monitoring, tracking, and reporting cost sharing to sponsoring agencies for all sponsored programs, federal, State, and private, at The University of Texas at El Paso. This includes the understanding of cost sharing commitments and determining when cost sharing is appropriate and allowable.
- Sec. 2 **Policy Statement.** Pursuant to the Uniform Guidance, Title 2 → Subtitle A → Chapter II → Part 200 → Subpart A → §200.29 and §200.306 Cost sharing is the portion of sponsored project cost not borne by the sponsor. Cost sharing occurs when a sponsor requires or the institution commits funds beyond the awarded amount by the sponsor. It is the policy of the University of Texas at El Paso that cost sharing is proposed, approved, administered, available, and accounted for in a consistent and reasonable manner throughout the project/program. To comply with all applicable federal laws and regulations and sponsoring agency guidelines, The University of Texas at El Paso must be accountable for documenting and verifying cost sharing commitments.
- Sec. 3 **Compliance.** The regulations require the institutions to be accountable in documenting and verifying cost sharing commitments with the same diligence as actual expenditures on contracts and grants.
- Sec. 4 **Limitations.** The University of Texas at El Paso strongly discourages cost sharing arrangements for all sponsored programs, as these arrangements involve unique accounting procedures and require funding resources from The University of Texas at El Paso. Cost sharing arrangements also necessitate increased monitoring to ensure compliance.
- Sec. 5 **Overview.**
- Cost sharing is a financial commitment toward the total cost of a project from a source other than the granting organization. Contributions for cost sharing include other departmental designated funds, gifts, or endowment income.

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5.1 Once committed in a proposal narrative, proposal budget, or notice of award, **mandatory** and **voluntary committed** cost sharing funds must be verifiable and fully documented in the accounting records in accordance with government regulations. **Third-party in-kind contributions** do not require accounting entries in The University of Texas at El Paso's accounting system. However, adequate records must be maintained to demonstrate that the full cost share commitment was performed. Cost Share commitments must be certified at least quarterly (or otherwise as required by sponsor) for mandatory and voluntary committed cost sharing.

5.2 Unallowable Costs for Cost Sharing. The following expenses cannot be offered as cost sharing commitments in sponsored project proposals:

- (a) expenses that are already committed to another project as cost sharing;
- (b) expenses that are provided from a federal or other sponsored program; (unless specifically approved by non-federal sponsors)
- (c) existing The University of Texas at El Paso-owned equipment or institution facilities; and
- (d) other unallowable costs as defined in the Uniform Guidance, Subpart E—COST PRINCIPLES, section 200.400 Policy Guide

5.3 Allowable Costs for Cost Sharing.

Costs for cost sharing may consist of allowable direct or indirect costs and must meet the same tests as those charged to the sponsored projects.

Sec. 6. Procedures.

6.1 Pre-Award.

- (a) Consideration should be given to the administrative requirements and responsibilities inherent in the cost sharing commitment to determine the cost effectiveness and the expected benefits of cost sharing, prior to making such commitments. Departments must obtain approval for cost sharing commitments from the appropriate office that is willing to cover the cost share, prior to proposal submission.

- (b) Accounting for Cost Sharing.

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- i. Cost sharing expenses for each project are accounted for by separate methods established specifically for that purpose.
- ii. Allowable costs must be timely and accurately charged to the appropriate cost sharing account and must be certified by the PI.

(c) Monitoring, Tracking, and Reporting Cost Sharing.

- i. The Office of Contracts and Grants Accounting is obligated to monitor, track, maintain documentation of the mandatory and voluntary committed cost sharing, and report to the sponsor.
- ii. The tracking, reporting, and certifying of cost sharing are subject to audit under, sponsor guidelines, or terms of the sponsored agreement.

6.2 VPR and/or his authorized delegate reserve the right to grant exceptions on a case by case basis regarding voluntary uncommitted cost sharing. VPR will make final decision when cost sharing absolutely needed to meet project objectives.

Approved by: 

Date: 04/16/2018