PI ARTICLE: Cost Sharing – Nuts and Bolts

Cost sharing represents a commitment to use resources other than the sponsored award itself that are necessary and reasonable to complete the objectives of the award. Cost shared resources benefit sponsored awards but are covered either by institute (departmental or school/college) resources, or outside parties. Cost sharing can either be required by the sponsor (mandatory) or committed voluntarily by the PI (which is strongly discouraged). Once committed in the proposal and awarded, we **MUST** meet our commitments. Some related terms include:

- Third-Party In-Kind Cost Sharing: the value of non-cash contributions provided by third parties. The PI must obtain a signed certification letter from the third party that summarizes and confirms the cost share at the fair market value and has a value agreed upon and vetted when proposed.
- Institutional Support: not required by the sponsor and NOT tracked as cost sharing. Please note that new investigator support, requested from the EVPR's Office, is not documented for the sponsor as cost share.
- Matching: although often used interchangeably with cost sharing, matching represents a proportional amount that a recipient is required to contribute (e.g., 10 percent of total allowable direct costs).

Cost share commitments are auditable and must meet the same criteria as a direct charge to a grant. These commitments must be verifiable in the institute's accounting records. Note that the same dollar cannot be cost shared on multiple awards, and waived (unrecovered) F&A and tuition remission may only be used as cost share IF authorized in advance by the sponsor. Federal funds are very rarely an allowable source of committed cost share. Institutional guidance on cost sharing and institutional support should be referenced before proposing either.

We have two reports available to help you manage cost share. In Workday, we have the "GT RPT Cost Share Fund in Progress Report." In Grants and Contracts, we have also developed the "Cost Share Exception Report" which is sent out to unit administrators at the beginning of every month. This report identifies large variances between the burn rates (which should be aligned from a percentage standpoint) of sponsored funds and cost share funds. Many sponsored are NOT accepting and paying invoices if we are not caught up on cost share.

Roles and Responsibilities:

- PI and Department
    - Identify cost share sources, prepare pre-award documents, and route for approval
    - Upon award, request cost share worktags and enter budgets via the Institute budgeting process
    - Complete cost share certification forms
    - Track commitments throughout the award life to ensure expenditures align with requirements
    - Manage subcontract invoicing that requires cost share commitments
    - Collaborate with OSP, G&C to ensure compliance and sponsor reporting requirements are met
- Office of Sponsored Programs (OSP)
    - Ensure any cost share requirement is addressed and any cost share proposed is authorized.
    - Collect subrecipient commitment letters (when applicable)
    - Prepare subcontracts that pass cost share to subrecipients (upon request from GT department)
    - Receive subrecipient invoices; review, send to departments for approval/payment in Workday
- Grants & Contracts (G&C) Accounting
    - Verify accuracy of in-kind certifications and back-up documentation
    - Post to the Institute's accounting system, as appropriate
    - Prepare and submit cost share reports to external sponsors
    - Review of total cost share expenditures to ensure commitments are fully met
    - Adjust award expenditures and refunds (direct funds must be refunded if not fully matched)

If you have any questions regarding the contents of this article, please contact Josh Rosenberg at josh.rosenberg@business.gatech.edu.