

Cost Share Examples

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Mandatory Cost Share

- Required by the sponsor as a condition of the award
 - Will usually be stated in budgetary information of a solicitation
- 2 CFR Appendix I to Part 200- Full Text of Notice of Funding Opportunity
 - Announcements must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible (if cost sharing is not required, the announcement must explicitly say so). Required cost sharing may be a certain percentage or amount, or may be in the form of contributions of specified items or activities (e.g., provision of equipment). It is important that the announcement be clear about any restrictions on the types of cost (e.g., in-kind contributions) that are acceptable as cost sharing.

Mandatory Cost Share: Solicitation Examples

B. Budgetary Information

Cost Sharing:

Cost Sharing is required.

Cost sharing is required for Ph.D.-granting institutions of higher education and for non-degree-granting organizations. Non-Ph.D.-granting institutions of higher education are exempt from cost-sharing and cannot provide it. National Science Board policy is that voluntary committed cost sharing is prohibited. When required, cost-sharing must be precisely 30%.

Note: The 30% cost-sharing requirement applies to only the portion of the total project cost budgeted to non-exempt organizations, including those participating through subawards.

The proposed cost sharing must be shown on Line M on the proposal budget. For purposes of budget preparation, the cumulative cost sharing amount must be entered on Line M of the first year's budget. Should an award be made, the organization's cost sharing commitment, as specified on the first year's approved budget, must be met prior to award expiration.

Such cost sharing will be an eligibility, rather than a review criterion. Proposers are advised not to exceed the mandatory cost sharing level or amount specified in the solicitation.

Major Research Instrumentation Program: (MRI) Instrument Acquisition or Development.
<https://www.nsf.gov/pubs/2018/nsf18513/nsf18513.htm>

T H E U N I V E R S I T Y O F N E W M E X I C O

Mandatory: Solicitation Examples

B. Matching Funds

Non-federal matching funds of at least 25% of the total cost of the grant project are required for awards made under this announcement. The matching requirement is explained in detail in Section IV(E)(6)(b) under Detailed Budget Table and Narrative and Matching Funds Explanation.

In order to be eligible for funding consideration, applications must demonstrate how the match requirement will be met if selected for an award. Under appropriate circumstances, applicants may use partnerships to assist with matching funds requirements. See Section I (D) above for further information about Partnerships. Applicants must be aware, however, that regardless of whether it is a partner(s) or their own organization that is providing the matching funds, the applicant itself is responsible for ensuring that the cost share requirement is met.

Mandatory: Solicitation Examples

- Funds awarded under the solicitation may not cover more than 75% of the total costs of the project being funded. An applicant must identify the source of the 25% portion of the total project costs and how it will use match funds
- For each dollar awarded, the recipient must provide \$1 toward the project
- Others?

Voluntary Committed Cost Share

- ***Quantifiable*** resources offered in the proposal when the sponsor has not included cost share as an eligibility requirement
- If the proposal is accepted by the sponsor, the proposed cost share is then considered mandatory and must be documented/ tracked for audit
- Voluntary committed cost share is highly scrutinized during audits
- PIs may wish to include to make a proposal appear more competitive or to show that resources are available
- Can appear in budget, narrative, or letters of support
- **Voluntary committed cost share is unallowable**

Voluntary Committed: Examples

- The PI requests budget for 10% effort on the project but will devote 25% effort to the project
- PI will devote 25% of effort to the project at no cost to the sponsor
- The department will purchase a mass spectrometer for exclusive use in support of the project
- The University demonstrates support and will contribute to the multistage project through partial salary for the project director
- The PI will be contributing funds from other sources to ensure that this scope of work can be performed on the proposed budget

The Grey Area

- Cost share not required but highly encouraged
- Cost share included in merit review criteria

Not Required but Encouraged: Solicitation Examples

Recipient Cost Share:
(See FOA Sec. C.2)

For institutions of higher education and for United States-Mexico binational research foundations and inter-university research programs, non-Federal cost share is not required but highly encouraged.

All other applicants must provide at least 75 percent non-Federal cost share. This may be reduced if it is determined that the project is not feasible without increased Federal contributions. Under no circumstances will the Federal share of projects funded under this FOA exceed 50 percent of the total project costs.

- 2) Non-Federal cost share: points will be awarded for voluntary committed non-Federal cost share from category A applicants only. A breakdown of these points by percentage of cost share for the total cost of the project is in Table 6 below. For category B applicants, this criterion is not applicable.

Table 6.—Non-Federal Cost-Share Points Possible

Non-Federal Cost-Share Percentage	Total Points Possible
0%	0
1% - 4%	1
5% - 10%	2
11% - 20%	4
21% - 35%	6
36% - 49%	8
50%+	10
0%	0
1% - 4%	1

Desalination and Water Purification Research Program: Research Projects for Fiscal Years 2020 and 2021
<https://www.grants.gov/web/grants/view-opportunity.html?oppld=321236>

THE UNIVERSITY OF NEW MEXICO

Not Required but Encouraged: Solicitation Examples

B. Cost Share or Matching Requirement:

A major goal of the MDP is to provide seed money to projects that leverage funds and other contributions from a broad public and private sector to implement locally important marine debris prevention and removal activities to benefit living marine resources. To this end, applicants are encouraged to demonstrate a minimum 1:1 non- Federal match for MDP funds requested to conduct the proposed project. NOAA strongly encourages applicants to leverage as much investment as possible. Applicants with less than 1:1 match will not be disqualified, however, applicants should note that cost sharing is an element considered in Evaluation Criterion #4. "Project Costs".

Not Required but Encouraged

- UNM *does not* consider this to be mandatory cost share
- Will be evaluated on a case by case basis
- Work with OSP early and communicate from the start of the proposal process

Voluntary Uncommitted Cost Share

- Any effort or resources contributed to the sponsored project beyond what is committed and budgeted
- ***Unquantified***
- Does not appear in the budget, narrative, or letters of support

Voluntary Uncommitted: Examples

- Donated/volunteered faculty effort
- Over the cap salary
- Cost overruns

Institutional Support

- Required by the sponsor
- General statements about the facilities or other support the institution has available
- Will usually be included in a letter of support
- Is not *quantifiable*

Institutional Support: Solicitation Examples

Institutional Commitment: Describe the institutional infrastructure available to support the instrumentation; including space to house the instrument and site for sample preparation, if needed.

Confirm the institutional support toward the maintenance and operation of the instrument. Describe institutional support for personnel. In particular, confirm that the institution will commit to provide backup of the financial plan for five years from installation of the instrument or for its effective lifetime. The review panel will evaluate the time of institutional support of the financial plan for this instrument in terms of consistency with the expected usable lifetime for the instrument dependent upon the type of requested instrument.

Institutional Support: Solicitation Examples

A. Institutional Letter of Support

BWF only makes grants to degree-granting institutions. Institutional information and the institutions' submission signature must be from a degree-granting institution.

The Institutional Letter of support should be written on behalf of the applicant's institution by the chair, dean, division director, or other senior official who can best communicate the institution's commitment to the applicant and the applicant's fit within the institution's plans and ambitions. This statement of the institution's investment in and commitment to the applicant's scientific, academic, and personal development is a critical part of a successful application for this career development award. Letters that lack detail, specificity, or clear enthusiasm for the applicant and his or her career can undermine an otherwise competitive proposal.

- The letter should describe the focus and direction of the institution's research programs that are relevant to the proposed work and discuss how the applicant's research fits into the organization.

What Cost Share Can Look Like (In-Kind Examples)



Faculty academic year base salary

Usually release time (salary, fringe, and imputed F&A*)

- Check with your department to see what amount is allowable
 - Coordinate and request permission from Department Chair via email (attach email in CayuseSP)
 - Record salary, fringe, and imputed F&A on cost share commitment form
 - Identify in Cost Share section of CayuseSP budget form
 - Will necessitate a transfer of funds from department index to new cost share index at the award stage
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- * Imputed F&A is the F&A that UNM could have taken if an allowable expense had been charged to an award. If it is charged to cost share, no F&A is incurred BUT we can claim it as cost share, as UNM opted to give up the award F&A.

Cost share commitment form for PI salary

What Cost Share Can Look Like (In-Kind Examples)

- Out of State Tuition Remission on graduate student contracts
 - Out-of-State students automatically receive a waiver of the difference between in-state and out-of-state tuition with their RA/TA/GA contracts; since UNM is giving up the tuition revenue, it constitutes a potential cost share source.
 - If your award will provide contracts out-of-state students, especially international students who are unlikely to become residents, out-of-state tuition remission can be a COMPLETELY FREE source of cost share, so long as it is tracked and monitored.
 - It can be difficult to predict exactly how many tuition credits a student will take in a given semester, so don't rely on this source entirely.
 - No imputed F&A (tuition does not incur F&A)

Out of State Tuition Remission Breakdown (Fall 2020)

GRADUATE & NON-DEGREE GRADUATE				
First and second semester <u>Non-Resident Graduate students (all programs) enrolled in six hours or less pay NM Resident rates.</u> All <u>Non-Resident Graduate students enrolled in seven hours or more pay Non-Resident rates for all hours taken.</u> All <u>Non-Resident, Non-Degree Graduate students pay Non-Resident rates for all hours taken.</u>				
	NM Residents		Non-Residents	
	Tuition	Mandatory Student Fees	Tuition	Mandatory Student Fees
Main Campus				
1+ hours (per hour)	\$328.88	\$77.84	\$1,027.18	\$77.84
12 to 18 hours (block rate)	n/a		\$12,361.20	\$934.08
19+ hours (per hour above 18, plus block rate)	n/a		\$1,027.18	\$77.84
Dissertation				
1 to 6 hours	\$1,181.00 (flat)		\$1,181.00 (flat)	
7+ hours			\$1,181.00 + \$1,105.02 per hour above 6	

- \$698.30 differential per credit
- \$0 differential per credit up to 6 credits; \$1105.02 per credit above 6

Out-of-State tracking spreadsheet example

Other In-Kind Examples

- Technician salary that would have otherwise been paid by the grant; like faculty salary, will require permission from department and careful documentation in Cayuse. Like faculty salary, it's an expense that the department will be paying one way or another already, and it may more than pay for itself with F&A return on an award that requires cost share.
- Waiver or reduction of lab fees for labs managed by a particular department; will require written permission from department and tracking over the course of the award.

Third Party Cost Share

- First, determine what the third party's relationship to the award will be
- Can be a subcontractor's portion of the required cost share (often another university, hopefully subject to the same review and scrutiny as UNM)
- Can be a commitment of training, equipment, or even cash
 - If it is a donation of equipment, coordinate with the UNM Foundation and Inventory
 - Donations of training and equipment need to be properly valued (how old is the equipment, is it in working order, has it depreciated significantly, what is the cost of similar training, etc.)

WARNING!!

- Cost share in general is an audit flag; at a minimum, UNM needs to demonstrate that a cost share commitment has been made in full after the end of the award. Document everything.
- Third party cost share is one of THE most heavily audited aspects of an award. Document, document, and triple-check everything.

What Cost Share CANNOT Look Like

- Other federal awards (one federal source cannot be used as cost share for another)
- Expenses that do not benefit the award (e.g., salaries for employees who are not working on the award, tuition remission for a student not working on the award, equipment that is not used for project results, etc.)
- Unrestricted funds that are in a general index and have not been transferred to a new cost share index specific to the award (e.g., leaving a faculty member's committed salary in the ING index that they're normally paid on; makes it very hard to track and opens up the possibility of inadvertently using the same funds for multiple cost share commitments)
- Funds that have already been committed as cost share to another award (can't use it twice! or three times!)
 - Tracking cost share commitments is essential at both the proposal stage and the award stage.
 - Do NOT count on your PIs having an accurate recollection of what they have proposed for cost share in the past, especially if the PI is in a different department.
 - Coordinate with other department administrators, ESPECIALLY if you are using another department's index as a cost share commitment at the proposal stage. The PI may have given you the wrong index or may misunderstand what is an allowable source. The other admin may also have no idea that any cost share has even been discussed.
- Third-party donations without a clear valuation