
Cost Share

Objectives & Key Roles

- **Objectives**
 - Define cost share
 - When cost share is appropriate.
 - Explain policy and timing rules
- **Key Roles**
 - Grant Accounting Office (GAO)
 - Division of Sponsored Programs (DSP)
 - Principal Investigator (PI)
 - Department Administrator

What is Cost Sharing?

- Cost sharing is the portion of the total project cost contributed by the university or other non-federal sources and not reimbursed by the sponsor.
- It may include salaries, fringe benefits, general expenses, F&A, and third-party contributions.
- Policy goals:
 - Cost sharing should only occur when mandated by the sponsor.
 - Cost sharing is recorded and reported correctly in the UI accounting system and to the sponsor.

Types of Cost Sharing

- **Mandatory cost sharing:** Required by the sponsor as a condition of the award. It is included in the proposal budget, budget justification, narrative, and/or award terms.
- **Voluntary committed cost sharing:** Is extra effort or resources provided beyond the required level of the sponsor. It is typically pledged in the budget justification and becomes a requirement if the proposal is funded.
- **Voluntary uncommitted cost sharing:** Typically, this is effort beyond what is committed in the proposal budget. This effort should not be recorded in the project MFK in the university accounting system.

Federal Rules

- Under 2 CFR 200.306, cost sharing must be verifiable, necessary and reasonable, allowable, and not charged to another federal award.
- Voluntary committed cost sharing is **not** expected under Federal research grants. **The University of Iowa strongly discourages the use of voluntary uncommitted cost share.**
- Unrecovered indirect costs may be included only with prior approval of the federal agency or pass-through entity.

Proposal Stage

- Cost share should be clearly identified in the Notice of Funding Opportunity (NOFO).
- If cost share is included but not required, questions may arise.
- The proposal routing form should clearly reflect the cost share commitment.
- The approved routing form (approved through departmental, collegiate, and DSP) must be received before proposal submission.
- Other documentation may be required prior to proposal submission.

Cost Share Account Setup

- The cost-sharing account request must be submitted to the Grant Accounting Office (GAO) within 30 days after the AAAN is sent to the PI / Department.
- To request a new cost-sharing account, departments should use the **Request for General Ledger Chartfields & WhoKeys** (CF/WK) application, which is available to all GLDSS online users in Self Service – Administration – System.
- The cost-sharing account will have a grant ID "3"

Post Award Procedures

- GAO will monitor expenditures spent from the cost-sharing account as well as from the grant/contract account.
- Both resources should be spent as the project progresses.
- GAO will report to the sponsoring agency on cost sharing along with expenditure of sponsor funds as required by award terms.

Allowable Expenses

- Allowable cost sharing may include:
 - faculty, staff, or student effort
 - fringe
 - supplies
 - equipment
 - travel
 - tuition
- Allowable cost must also be allowable on the prime award. Meaning if there are sponsor restrictions on certain costs, those can not be included as cost share.

Unallowable Expenses

- Existing university-owned equipment, university facilities, and amounts in excess of a salary cap should not be used for cost sharing.
- Cost sharing cannot be paid from federal award funds.

Documentation and Reporting

- Third-party contributions must be documented, valued appropriately, and approved by the PI.
- Subrecipient cost sharing must be documented on subrecipient invoices, and final subcontract payment may be withheld until requirements are met.
- GAO reports cost-sharing to the sponsor as required by award terms.

References and additional information

- **DSP Website**

- dsp.research.uiowa.edu
 - [Budget Preparation Information](#)
 - [Routing Form and Process](#)

- **GAO website**

- gao.fo.uiowa.edu
 - [Cost Sharing Policy & Procedures](#)
 - [Third Party Cost Share](#)
 - [Request a Cost Share Account](#)

- **Contact us**

- dsp.research.uiowa.edu/about-dsp/staff-directory-contacts
- gao.fo.uiowa.edu/contact-us

IOWA

gao.fo.uiowa.edu