

Finance & Operations Policy FO-ORA-06
Cost Share Policy

Cost sharing refers to the expenditure of University or third-party resources beyond the amount funded by the sponsor to support the scope of work defined by a sponsored (federal or non-federal) award. Cost sharing on sponsored projects will only be provided when mandated by the sponsoring agency. Cost-shared expenses will be verifiable from Sam Houston State University (SHSU) records, as required by Uniform Guidance.

Cost share amounts must not excessively exceed the required cost sharing percentage or stated dollar amount required by the sponsor. The Office of Research Administration (ORA) and the committing departments will ensure that the allocation of costs of these resources is accurate, consistent, and adequately documented.

Reviewed by: TSUS 03/20/2013)
Cabinet (01/22/2013)
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Next Review: As needed

PROCEDURES TO POLICY FO-ORA-06

1. Sam Houston State University (SHSU) cost can only be treated as costs share and included in the award when mandated by the sponsor.
2. Cost sharing in Federal awards must meet the following criteria:
 - a. Are allowable according to the principles of Uniform Guidance
 - b. Are directly related to the project objectives
 - c. Are not included as cost sharing for any other federally-assisted project
 - d. Are not paid by the Federal government under another award, except where authorized by Federal statute.
3. Cost sharing criteria for non-federally sponsored awards will be in accordance with sponsor requirements.
4. Cost sharing must be documented in the official records of the University. The ORA will report cost sharing to sponsors according to sponsor requirements.
5. Categories of Cost Share – University Contributions
 - a. Unrecovered Indirect Costs – A difference between the University's negotiated indirect costs rate and the rate funded by the sponsor represents cost sharing in the form of unrecovered indirect costs. Unrecovered indirect costs can only be used as cost share if the university's rate is higher than the sponsors required rate and there is a remaining amount left to be used for cost share.
 - b. Salary, wages, and benefits – Cost share from this category is paid from non-sponsored funds and will be subject to effort certification reporting.
 - c. Other direct costs – Travel, O&M, Materials and Supplies, etc. can be used as cost share from non-sponsored accounts.
 - d. Equipment – Cost share from this category must have been paid from non-sponsored funds. When an item is cost shared for equipment, the University property must be cost shared at fair market value
6. Categories of Cost Share – Non-University Contributions
 - a. Third-Party Contributions – The value of contributions in the form of real property, equipment, supplies, and other expendable property or the value of goods and services directly benefiting a project which are contributed by another entity. Third party contributors named in a proposal are required to submit a commitment form at the proposal stage and, periodically during the award period to document the supporting contribution to the project.
 - b. Sub award Cost Share – The value of contributions in the form of real property, equipment, supplies, and other expendable property or the value of goods and services directly benefiting a project which are contributed by the sub award. Sub awards may be required to provide cost sharing commitments at the proposal stage. Sub awards cost share contributions may periodically be

required to provide documentation of committed cost share that support the project during the award period.

7. Documenting Cost Share

- a. The PI is responsible for ensuring that cost share commitments are identified in the project budget and provided as committed.
- b. The PI in coordination with the ORA will ensure cost share dollars are:
 - i. allowable
 - ii. directly related to the project objectives
 - iii. not included as cost share for any other federal project
 - iv. not paid by the Federal government under another award, except where authorized by Federal statute.
- c. The ORA will designate an element in Banner to track all applicable cost sharing expenditures for reporting to the sponsor.

8. Closeout Procedures

- a. At the end of the project, the ORA will prepare a draft of the final cost sharing expenditures. In the event that documented cost sharing expenditures are less than the cost sharing commitments, the PI has the following options:
 - i. provide documentation and support for additional cost shared expenditures or
 - ii. request sponsor approval through ORA to reduce cost sharing commitments
- b. If the PI becomes aware that not all of the cost sharing commitments will be met, the PI must notify ORA and provide a reason why the commitments cannot be met. If it is determined that a reduction is necessary, then the ORA will notify the sponsor and request a reduction of the commitments.
- c. ORA prepares the final cost sharing expenditures report and submits it to the sponsor as required. A copy of the final report is retained in the ORA files.