

# Cost Share Frequently Asked Questions

## 1. What is cost share?

Cost share is additional dollars above the sponsor's dollars which are needed to complete the SOW (scope of work).

## 2. Does the Uniform Guidance say no cost share?

No. Uniform Guidance says that cost share beyond the mandatory cost share will not be considered during the review of the proposal.

## 3. Why does CU discourage cost share?

Cost share obligates university resources so they cannot be used on other projects. Furthermore, cost share dollars are included in the equation/calculation of the university's federal F&A rate application. The higher amount of cost share dollars, the lower the F&A rate.

## 4. What are the types of cost share?

Committed cost share is pledged in the proposal budget, budget justification, or proposal narrative whenever a specific dollar amount is stated or can be calculated from information provided in the proposal. Committed cost share can be mandatory (required as a condition of the award), or voluntary (offered by the recipient when not specifically required by the award). Uncommitted voluntary cost share is incidental support that is over and above what was proposed and agreed upon for the project. Uncommitted voluntary cost share is not included or quantified in the proposal budget or the narrative, and generally is not auditable or reported to the sponsor.

Other types of cost share include:

1. Cash cost share can come from within CU, or from an outside entity.
2. In-kind cost share is provided by a 3rd party entity.
3. Forfeited F&A is the difference between the approved federal F&A rate and the negotiated sponsor approved rate.

## 5. Who sets up the cost share SpeedTypes?

The CCO cost share accountant (CSA) sets up the cost share SpeedTypes for internal cost share. 3rd party cash cost share is tracked through a separate sponsored award, so CCO project set up sets up these SpeedTypes.

## 6. I received notice for my project SpeedType(s). When can I expect my cost share SpeedType?

Cost share SpeedTypes are processed after the Project SpeedType has been set up.

- CSA receives notice an award with cost share through the inter-routing process
- CSA gathers all the information and reviews the commitments



- CSA decides the best way to track the cost share
- If one or more SpeedType(s) are required, the CSA will request the set-up (2-5 working days)
- The CSA will notify the department and PI with the SpeedType details
- In-kind cost share: the CSA will include with the SpeedType notification any details about what is required for certification when the in-kind commitment has been completed

## 7. Why does my cost share have several different SpeedTypes?

Cost share can be funded from several different sources. The SpeedTypes are set up to match the funding source:

For a CU internal funding source:

Fund 10= cost share fund 12  
Fund 2x= cost share fund 22  
Fund 34= cost share fund 32  
Fund 72= cost share fund 70

For a 3rd party cash cost share (outside dollars) funding source, the resulting cost share SpeedType will be either:

Fund 30= sponsored cost share  
Fund 31= state-sponsored cost share

## 8. How do I fund the cost share SpeedType?

CU-funded cost share SpeedTypes are funded through a cash transfer.

## 9. Who is responsible for obtaining the In-Kind Certification form?

The PI is responsible for obtaining the signed In-Kind Certification form when the 3rd party entity has completed the work. This is based on the concept that the PI is aware that the work has been completed and can therefore verify what the 3rd party entity has certified.

## 10. How do we know the accuracy of the items that are on an In-Kind Certification form?

As part of the agreement with 3rd party entities, they are subject to audit and may be asked to produce all supporting documentation for the dollar amount which they certify.

## 11. What is the difference between mandatory and voluntary cost share?

Mandatory cost share is cost share required by the sponsor as part of the award. Voluntary cost share is cost share not required by the sponsor but is needed to complete the scope of work (SOW). Both are a commitment that is a liability to the university and must be fulfilled whether the sponsoring agency requires reporting of the cost share or not.



## **12. What is uncommitted voluntary cost share?**

Uncommitted voluntary cost share is incidental support that is over and above what was proposed and agreed upon for the project; it is not included or quantified in the proposal budget or the narrative. Generally, uncommitted cost sharing is not auditable or reported to the sponsor. This does and can occur, but should be kept to a minimum, as it is not in the best interest of the university.

## **13. What if I don't meet the cost share commitment?**

Not meeting the cost share commitment puts the university at risk because it is a binding commitment. If we do not fulfill our obligation, a sponsor may refuse to pay all or part of what is owed to the university. This is why monitoring your cost share is very important. If you estimate that you will not be able to meet your cost share commitment, discuss with the PI and cost share accountant immediately. It is possible OCG and the sponsor will need to be contacted with justification on why the cost share commitment cannot be met. The explanation needs to include the extent to which you are able to complete the SOW without the cost share dollars.

## **14. Is there ever cost share with a sub-contract or sub-award?**

Yes. Sub-contract cost share is required to be reported in a clearly stated manner on any invoices they present to the university. On rare occasions, this cost share may be documented by a signed In-Kind Certification form. The university is responsible for and therefore liable for the sub-contractor's cost share.

## **15. As the PI, I want to volunteer my time for cost share – Can I?**

In general, employees of CU can NOT do volunteer/In-Kind contributions to the project. The reasoning is that if you have a full-time position, you do not have additional time to volunteer (can't be over 100%).

## **16. Can I use my cost share dollars for anything I want?**

Cost share dollars are spent within the financial parameters that are specified on the awarded budget. Always refer to the award document for variances within categories. The cost share accountant can advise on what is allowable and if OCG and the sponsor need to be contacted to ask for an exception.

## **17. Who closes the cost share SpeedType?**

The cost share accountant is responsible for monitoring and closing the financial cost share file. The cost share accountant works closely with the department. The cost share should be closed before the project can be closed. It is the department's responsibility to make sure the balance of all cost share SpeedTypes is zero after meeting the commitment. The cost share accountant is the final approval for SpeedType in-activation.

## **18. What do I do with leftover money in the cost share SpeedType(s) after it is closed?**

It is CU's policy that you return the money proportionately to the units who contributed funding.