

Section 16.05

DEPARTMENTAL GUIDANCE FOR COST SHARE ACCOUNTS

WHAT IS COST SHARING?

Cost Sharing is that portion of a total sponsored project's costs that are paid from sources other than the funds provided by the sponsor. Cost Sharing can either be required by a sponsor as a condition of the award (Mandatory Committed) or it can be voluntarily pledged (Voluntary Committed) if offered when not a sponsor requirement.

Some make a distinction between "Cost Sharing, "In-kind" and "Matching." Generally, all these terms refer to costs not charged to the sponsor. These terms can refer to cash contributions, contributed time, and In-Kind services whether from university or third-party sources.

Cost sharing effort is included in the calculation of total committed effort. Effort is defined as the portion of time spent on a particular activity expressed as a percentage of the individual's total activity for the institution.

- Effort is the portion of time spent on a particular activity, expressed as a percentage of the individual's total activity for the institution. Total effort must equal 100%, no matter how many hours are worked.

Because Cost Sharing has a significant financial impact on the department providing the funds, commitments are held to a minimum. The University's procedure is to not allow Cost sharing if the sponsor does not require it.

EXAMPLE OF COST SHARING

Faculty Effort - An example of faculty effort that is cost shared: a faculty member proposes to spend 30% of her effort on a sponsored project, but charges only 10% of her salary to the project. The remaining 20 percent of her effort is regarded as cost sharing because she has committed the effort, but is not charging the entire 30% to the sponsor.

SOURCES OF COST SHARING

- University funds
- Third party contributions
- Other sponsored projects (non-federal)

GOVERNANCE:

- Texas A&M University – Corpus Christi Accounting Handbook Section 16.05 “Cost Share on Research and Sponsored Contracts” which can be found at the following website: http://comptroller.tamucc.edu/accounting/accounting_handbook.html
 - See Accounting Handbook 16.05.01
- Federal regulations regarding Cost Sharing are found in OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with institutions of Higher Education, Hospitals and Other Non-Profit Organizations” (A-110) which can be found at the following website: <http://www.whitehouse.gov/omb/circulars/a110/>
- The Office of Sponsored Research, Administration (OSRA) administers sponsored programs and determines the departmental guidance for Cost Sharing and the Cost Sharing requirements and amounts for sponsored projects.
- Because Cost Sharing is auditable and must be allowable under cost principles and verifiable to records, it must be tracked in a separate account in the Financial Accounting Management Information System (FAMIS).