



**Campus Administrative Policy**

**Policy Title:** Cost Sharing, 4-8

Policy Number: 2002 Functional Area: **Finance**

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Supersedes: Fiscal Policy for Cost Sharing (February 1, 2011)

Approved by: Vice Chancellor for Research

Prepared by: Director of the Office of Grants and Contracts  
Reviewing Office: Provost and Executive Vice Chancellor for Academic and Student Affairs

Responsible Officer: Provost and Executive Vice Chancellor for Academic and Student Affairs

Applies to: University of Colorado Denver | Anschutz Medical Campus

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**A. INTRODUCTION**

This policy exists to:

1. Provide guidance regarding allowable cost sharing, including the kinds of services, expenditures, or assets that may be used for cost sharing. Cost sharing is that portion (cost) of a sponsored project or program that is not supported by the sponsor.
2. Provide information to the University of Colorado Denver regarding the financial and administrative impact of cost sharing.
3. Establish procedures which enable CU Denver to provide information to sponsoring agencies demonstrating CU Denver’s fulfillment of cost sharing commitments made as a condition of accepting a sponsored project or program.

4. Provide a method of identifying all costs required to calculate the Facilities and Administrative (F&A or indirect) cost rate.
5. Provide guidance on approvals that must be obtained when multiple department are asked to commit cost share.

It shall be the responsibility of the principal investigator (PI) for the sponsored award and the originating department to ensure that all cost sharing is identified and documented according to this policy and the requirements of the award. The Director of the Office of Grants and Contracts will be responsible for reporting to the sponsor as required. The Controller will be responsible for including cost sharing information in the F&A cost proposal.

This policy applies to all federal and non-federal sponsored programs which include a commitment by CU Denver to support a sponsored project or program with CU Denver funds.

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## **C. DEFINITIONS**

1. **Allocable costs** are the costs of a specific grant, function, department, or other component (“cost objective”) that are chargeable or assignable to the cost objective in accordance with the relative benefits received or other equitable relationship. For example, a cost is allocable to a grant if it is incurred solely in order to advance work under the grant; it benefits both the grant and other work of the institution, including other grant-supported project; or it is necessary to the overall operation of the organization and is deemed to be assignable, at least in part, to cost objective.
2. **Allowable costs** are costs that are acceptable to be charged to a sponsored agreement. The allowability of costs incurred by institutions of higher education

is determined in accordance with the provisions of OMB Uniform Guidance.

3. **Auxiliary and Self-funded Activities Fund** is the resource available from an enterprise, auxiliary, and self-funded activities maintained by CU Denver.
4. **Cost Sharing or Matching** is that portion (cost) of a sponsored project or program that is not supported by the sponsor. Cost sharing consists of three types: (1) mandatory; (2) obligatory; and (3) voluntary (see separate definition for each type of cost sharing). Cost sharing is usually provided through contributed effort by principal investigators or their staff and paid from an unrestricted fund, auxiliary and self-funded activity fund and/or gift programs/projects.
  - a. **In-kind Contributions** represent the value of non-cash contributions made by sources outside of the CU Denver for a sponsored program/project. Examples of non-cash contributions include non-CU Denver employees working on a program/project, the use of donated equipment if specifically required by the sponsoring agency, or the use of donated services or supplies.
  - b. **Mandatory Cost Sharing** is cost sharing that is required by a statute or program regulation of the sponsoring agency and usually refers to an overall percentage of total costs to be contributed. When cost sharing is required (i.e., mandatory), it will be stated in the award notice. The most common example of mandatory cost sharing is the commitment of time and effort by CU Denver faculty or staff that is required by the sponsoring agency as a condition of getting the award.
  - c. **Obligatory Cost Sharing** is cost sharing that a CU Denver representative offers to perform as a part of the application/proposal, although it is not required as a condition of the award. Obligatory cost sharing is a commitment and must be documented and tracked. Obligatory cost sharing is also known as committed cost sharing.
  - d. **Voluntary Cost Sharing** is cost sharing that is provided in excess of obligatory or mandatory cost sharing requirements. It is a commitment of time or other spending in support of a sponsored program over and above that required by the award or agreed to in order to obtain the award. Examples of voluntary cost sharing include (1) additional time spent on a program/project that is 5% or more above that which is budgeted or required by the award; (2) laboratory supplies or travel expenditures paid by a source other than the sponsored program/project; or (3) cost overruns on a program/project.
5. **Gift funds** are cash or non-cash items bestowed voluntarily to CU Denver without any expectation of a tangible good or service being provided in return. Gift funds are recorded in financial system programs/projects.

6. **Service Center** is an organizational unit of CU Denver which provides a specific type of good or service to other CU Denver departments, may incidentally provide the service to individuals or the general public, and is primarily supported by fees charged to the user department's operating programs/projects. Such goods or services might be purchased from commercial sources, but for reasons of convenience, cost, or control is often provided more effectively through a CU Denver Service Center.
  
7. **Sponsored Projects** are research, instructional, or public service activities that are related to the mission of CU Denver and sponsored by external agencies or entities. If an award meets at least one of the following criteria, it is likely a Sponsored Project. However, the existence of any one of the criteria may not be determinative.
  - a. The award is a grant or contract from a governmental entity, unless exempted under OMB Uniform Guidance.
  - b. The proposal responds to a Request for Application (RFA), Request for Proposal (RFP), or other formal solicitation, and the project is initiated by notice of award. Certain RFPs issued by private charitable foundations may not qualify as a Sponsored Project.
  - c. The award includes terms that bind the university to a list of scholarly or scientific inquiry.
  - d. The Statement of Work specifies programmatic objectives mutually agreed upon by the university and the sponsor, which are to be accomplished within a specific period of time or within a detailed budget framework.
  - e. The sponsor is entitled to receive the following types of deliverables: a detailed technical report of research results, milestone reports, or a required report of allowable expenditures. Certain reporting requirements of private charitable foundations that are stewardship- or accountability-oriented may not qualify as Sponsored Projects.
  - f. The award requires separate accounting procedures and detailed financial reports.
  - g. The sponsor requires the return of unexpended funds or only reimburses for incurred costs (expenditure-driven).
  - h. The award provides for compliance audits by or on behalf of the sponsor which may or may not include a financial audit.

- i. The award is for a project requiring compliance oversight including, but not limited to: human subjects, animal use, biohazards, or bio-safety.
  - j. The award terms include publication or data restrictions or monitoring.
  - k. The sponsor requests intellectual property rights or controls the disposition of capital equipment.
  - l. The award is by a sponsor who has licensing rights to inventions from the same lab/researcher benefiting from the award.
  - m. The sponsor designates a sponsor employee (agent) as project technical monitor (as opposed to designating a contact person to improve communications).
  - n. The award is for a sub-award project under a federal award.
  - o. The award requires a matching or cost sharing commitment on the part of the university.
  - p. The award generates program income to a federal award.
  - q. The award from the sponsor is for membership fees to centers and affiliate programs. The university may receive membership fees for its centers and affiliate programs, as characterized by any one of the following examples:
    - i. The member agreement imparts “Center Member” status to the sponsor.
    - ii. The member receives the right to exert any type of control over the operation of the institute, center or program.
    - iii. The member receives special or discounted access to laboratories or other university facilities for its use.
    - iv. The member receives patent, licensing rights, or other intellectual property rights provisions benefiting the sponsor.
8. **Unrestricted Fund** is the term used to describe the resources available primarily from funds appropriated by the State of Colorado General Assembly. These resources include state general funds, student tuition and fees, F&A (indirect) cost recoveries, and patient revenues generated by the School of Dentistry Dental Clinics.
9. **Waiver Approval Process** is the process by which F&A cost rates are approved when they are less than the Federal rate or are less than the rate that is normally paid by a private corporation or foundation.

## **D. POLICY STATEMENT**

### **1. General Policies**

Cost sharing of direct expenditures represents a redirection of departmental or school resources from teaching and other departmental activities to expenditures in support of sponsored programs/projects. Providing resources for cost sharing is the responsibility of the Principal Investigator (PI) and his or her department. The department or departments committing funds must provide signature approval(s) of cost share commitment on the routing form at the time the proposal is submitted to OGC for review prior to submission to a sponsor. When the PI agrees to cost share it commits CU Denver to provide stated services or assets in the performance of the sponsored program/project. The effectiveness and expected benefits of each cost sharing agreement should be weighed considering the administrative requirements and responsibilities inherent for the PI, the department and central administrators. All responsibilities associated with this policy and procedures are to comply with OMB Uniform Guidance.

Cost sharing is not normally appropriate on programs/projects supported by “for-profit” entities. It is also not normally allowable from other sponsored programs/projects. Cost sharing may be funded by Unrestricted General Fund programs, Auxiliary and Self- Funded Activity Fund programs, and/or Gift Fund programs.

Mandatory and obligatory (committed) cost sharing must be provided at the required amounts and appropriately tracked through our processes (See Exhibit A). Voluntary cost sharing in excess of obligatory or mandatory cost sharing requirements, if equal to 5% or more of a person’s effort, must be reported on the electronic Personnel Effort Report (ePER) as time spent on the program/project.

CU Denver is required to include all mandatory and obligatory (committed) cost sharing of direct costs on sponsored programs/projects in the Organized Research base when calculating the F&A cost rate. The F&A costs associated with this cost sharing do not need to be identified since these costs are not included in the rate calculation. (Reference OMB Uniform Guidance.)

Tracking, reporting and certifying of cost sharing is subject to audit by internal and external auditors, federal agencies and the sponsoring agency itself. Any penalty, disallowance or loss of funding caused by not reporting or documenting existing cost sharing will be assessed against the department in violation of the policy. A table, summary of CU Denver Cost Share Policy (Exhibit C), may be used by departments as a cost share reference guide.

### **2. Requirements for Cost Sharing**

If a cost sharing commitment exists, the expenses used for this purpose must be:

- a. Verifiable from CU Denver (e.g. Personnel Effort Reports, financial system program/project reports, etc).
- b. Used as cost sharing for only one sponsored program/project.
- c. Allowable and allocable to sponsored programs/projects.
- d. Necessary and directly related to the program/project objectives.
- e. Provided for in the approved budget when required by the awarding agency.
- f. Not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing.
- g. Incurred during the applicable award period of the grant or contract.
- h. Recorded in a separate program/project if there is a specific mandatory dollar amount of cost sharing or non-payroll obligatory cost sharing.
- i. Recorded in a separate program/project if there is a cost overrun of \$50,000 or more of non-faculty/professional salary/benefit expense or cost overrun of non- personnel expense.

3. **Examples of Expenditures That May Not Be Used For Cost Sharing**

Expenditures that cannot be used for cost sharing include the following:

- a. Expenditures that are normally charged as indirect costs, such as administrative salaries or office supplies.
- b. Unallowable costs such as alcoholic beverages, entertainment, or any costs disallowed by the sponsor.
- c. Equipment unless required by the sponsor. Cost sharing with equipment requires each piece of equipment to be tracked separately to ensure that its depreciation is not included in the calculation of the F&A rate. This type of transaction is difficult to monitor.
- d. Service Center expenses cannot be used for cost sharing on a specific award.

4. **Examples of Expenditures That May Not Be Used For Cost Sharing**

Expenditures that cannot be used for cost sharing include the following:

- a. Faculty, staff or student salaries and related fringe benefits (except as prohibited by III.H.).
- b. Laboratory supplies.
- c. Travel.
- d. Waivers of F&A. With the appropriate approvals, waivers or reductions of the F&A cost rate may be used as cost sharing. These waivers or reductions must have prior approval of the awarding agency and must be formally requested and processed through the CU Denver waiver approval process if the rate is different than the normal rate. (See, CU Denver fiscal policy *Facilities and Administrative Costs*, 4-4.)

5. **National Science Foundation**

- a. Faculty Voluntary Committed Cost Sharing. In accordance with the National Science Foundation (NSF) Grant Policy Guide, grantees are prohibited from including voluntary committed cost sharing in grant proposals. All organizational resources needed and available to the project must be described in the Facilities, Equipment and Other Resources section of the grant proposal. NSF Program Officers are prohibiting from imposing or encouraging cost sharing unless the program solicitation explicitly required by the program solicitation.
- b. Mandatory Cost Sharing. Mandatory cost sharing may only be required when expressly authorized by the NSF director, National Science Board, or legislation. When cost sharing is required, the grant proposal must outline the proposed cost sharing in accordance with the NSF Grants Policy Guide requirements. See, Chapter II.C.2.g(xi), *Mandatory Cost Sharing*. Mandatory cost sharing commitments which are included in proposals and accepted by NSF are legally binding and subject to audit. Failure to comply with cost sharing commitments could result in termination of the NSF award, disallowance of sward costs, and/or refund of award funds to the NSF.

6. **Other Gaming Agencies**

If applicable, PIs and administrative unit personnel providing administrative support should carefully review the program guidelines of other granting agencies to ensure compliance with any cost sharing requirements.

**Notes**

1. Dates of official enactment and amendments:  
February 1, 2011: Adopted by CU Denver  
July 1, 2015: Updated.
2. History:  
July 1, 2015: Updated  
November 11, 2018: Modified to reflect a 2018 Campus-wide effort to recast and revitalize Campus policy sites into a standardized and more coherent set of chaptered policy statement organized around the several operational divisions of the university. Article links, University branding, and formatting updated by the Provost's Office.
3. Initial Policy Effective Date:  
February 1, 2011
4. Cross References/Appendix:



- Cost Accounting Standards 501 and 505.
- National Institutes of Health Grants Policy Statement, December 2003 for grants issued between December 1, 2003, to September 30, 2010; October 1, 2010 version for awards issued on or after October 1, 2010.
- National Science Foundation, *Grant Proposal Guide*, Chapter II, Proposal Preparation Instructions.
- Office of Management and Budget (OMB) Uniform Guidance (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*); (particularly Subpart D, Section 200.306 Cost Sharing or Matching)

## EXHIBIT A - COST SHARE PROCESS

### 1. Service Center Subsidies

Subsidies provided to Service Centers are considered cost sharing based on the percentage of revenue generated from internal sales to organized research programs/projects. For example, if the Center for Laboratory Animal Care is providing 90% of their services to research and UCD is subsidizing the activity by \$50,000, \$45,000 would be considered cost sharing and must be included in the calculation of the facilities and administrative cost rate. The Finance Office will identify these subsidies. These subsidies are not considered cost sharing for a specific award.

### 2. External In-Kind Contributions

External in-kind contributions should be documented and a record kept of the donations. The value is calculated as defined in OMB Circular A-110. The use of in-kind contributions is discouraged because of the requirement for record keeping and the difficulty in assigning a value to the donation.

### 3. Equipment

Equipment cannot be used for cost sharing unless specifically required by the sponsor. Cost sharing with equipment requires each piece of equipment to be tracked separately to be sure that its depreciation is not included in the calculation of the facilities and administrative (indirect cost) rate. This type of transaction is difficult to monitor.

### 4. Accounting and Documentation

#### A. Mandatory Cost Sharing

Two forms will be used to identify cost sharing. *The Approval of Application for Grant or Contract Form*, ("Routing Form"; see Fiscal Policy 4-5, Exhibit A) provides for cost sharing information to be identified at the proposal stage of an award. This form requires the approval of the Principal Investigator, the Department Chair or Director and the Dean or Administrator. After the award has been granted, a second form called a *Cost Sharing Documentation and Program/Project Request Form* (Exhibit B) must be completed. This form identifies the specific cost sharing to be performed on the

program/project and is the document used to establish a new program/project for recording the cost sharing.

A separate cost sharing program/project will be established for each sponsored program/project when a specific dollar amount of mandatory cost sharing is required. This is necessary because specific documentation of the actual cost sharing is required to substantiate to the sponsoring agency that the cost sharing was performed. These separate programs/projects will be administered in the same manner as the sponsored program/project. This means that these programs/projects must comply with all applicable Federal, State and UCD fiscal policies. (See procedure section for the specific reporting process.) Awards that require only a specific level of UCD effort (e.g., 20% of Dr. Smith's effort) will be documented through the electronic Personnel Effort Reporting system as appropriate.

Records of external in-kind contributions used to meet mandatory cost sharing requirements should be maintained by the department and supplied to the Grants and Contracts at the end of the grant/contract budget period or each fiscal year (June 30), whichever comes first. This information will be reported to the sponsoring agency and included in the calculation of the facilities and administrative (F & A) cost rate.

#### B. Obligatory (Committed) Cost Sharing

Obligatory cost sharing also requires the completion of the Routing Form at the proposal stage of an award and the *Cost Sharing Documentation and Program/Project Request Form* (Exhibit B) after the award has been granted. A separate program/project is not required to record payroll obligatory cost sharing. This will be identified via the electronic Personnel Effort Report (ePER). However, obligatory cost sharing with non-payroll expenditures, e.g. supplies, travel, etc. does need to be recorded in a separate program/project.

One departmental non-payroll obligatory cost share program/project will be required for each UC Denver Fund Account series (unrestricted, auxiliary, gift, etc.) that supplies cost sharing dollars. For example, three different sponsored programs/projects having non-payroll obligatory cost share expenses are supported by the same state-appropriated program/project. All the department's cost share expenses can be recorded in one departmental state-appropriated non-payroll obligatory cost share program/project.

Records of external in-kind contributions used to meet obligatory cost sharing requirements should be maintained by the department and supplied to the Office of Grants and Contracts at the end of the grant/contract budget period or each fiscal year (June 30), whichever comes first. This information will be reported to the sponsoring agency and included in the calculation of the facilities and administrative (F & A) cost rate.

5. NIH, SAMHSA and U.S. Army Research Acquisition Activity Salary Caps

Annual appropriations to NIH, Substance Abuse and Mental Health Administration (SAMHSA), and U.S. Army Research Acquisition Activity contain language that do not allow these agencies to reimburse grantees for the direct salaries of individuals at a rate in excess of the level specified in the appropriations language. This limitation is commonly referred to as the salary cap.

The salary cap limitation applicable to an award may vary from year to year based upon the appropriations language. An award may start out at one salary cap level and have subsequent adjustments to the salary cap in future budget periods as those periods are funded.

The level of effort applied to the program/project for those individuals whose salary is above the cap determines the amount of salary that can be paid to the individual. For example, a professor whose annual salary is \$180,000 plans to devote 10% of his effort on a NIH research grant which has an annual salary cap of \$136,700. The amount of allowable salary that can be charged to the grant is 10% of \$136,700, or \$13,670. The amount of University salary paid for the 10% effort is \$18,000, \$13,670 coming from the NIH award and \$4,330 coming from institutional funds. The \$4,330 paid from institutional funding is an unallowable cost to the NIH award and represents cost sharing that must be contributed from institutional resources if the faculty member is to receive \$13,670 from the NIH award. Current DHHS guidelines specify that the \$4,330 in cost sharing must be included in the research base. Salary dollars paid from institutional funds as a result of regulatory caps will be included in the UCD research base as cost sharing. Any additional cost sharing effort reported that is effort above the amount required to substantiate salary paid from an award having a salary cap will also be included in the base.

6. Approvals

Cost sharing is a commitment of departmental resources. All mandatory and obligatory cost sharing must be approved as part of the proposal routing process by the Principal Investigator, Department Chairperson or designee and by the School Dean or designee. Disclosure and approval of cost sharing is required on the Routing Form.

7. Process

<b>Mandatory Cost Sharing</b>	
<b>Performed By:</b>	<b>Action:</b>
Requestor/Department	<ol style="list-style-type: none"> <li>1. Document the requirement for mandatory cost sharing in the appropriate section of the Routing Form. (Refer to Policy Section D.4.b. for a definition of mandatory cost sharing)</li> <li>2. Submit the Routing Form as part of the proposal approval process to Grants and Contracts.</li> </ol>
Grants and Contracts	<ol style="list-style-type: none"> <li>3. Coordinate with the applicable department when the award has been received regarding cost sharing. Assist the department as appropriate in completing necessary forms and/or answering questions regarding policy and procedure.</li> </ol>
Requestor/Department	<ol style="list-style-type: none"> <li>4. Provide information on the “Cost Sharing Documentation and Program/Project Request Form”, have responsible person(s) sign and forward to Grants and Contracts. If external in-kind contributions are used, attach an explanation. If UCD funds are the source of cost sharing, proceed to step 5. If in-kind contributions are the source of cost sharing, proceed to step 16.</li> </ol>
Finance or Grants and Contracts	<ol style="list-style-type: none"> <li>5. Review the form and award document. If a specific dollar amount of cost sharing is required, establish the new cost share program/project. The new program/project must have the same expense purpose code as the sponsored program/project. If an Unrestricted and/or Auxiliary program/project, proceed to step 6. If a Gift program, proceed to step 7. If the award requires only a specific level of UCD cost sharing effort (e.g., 20% of Dr. Smith’s effort), proceed to step 11.</li> </ol>
Requestor/Department	<ol style="list-style-type: none"> <li>6. Establish a budget in the new cost share program/project (requires completion of a Budget Change Authorization form). The budget for the new program/project must equal the total cost share expenditures to be made from this program/project during the fiscal year.</li> </ol>
Requestor/Department	<ol style="list-style-type: none"> <li>7. Submit to the Finance Office a request for transfer of funds to an Auxiliary cost share program/project. Submit a “Request for Transfer of Funds” to the CU Foundation for a gift cost sharing program. If an auxiliary program/project, proceed to step 8. If a gift program, proceed to step 9.</li> </ol>
Finance	<ol style="list-style-type: none"> <li>8. Prepare and process a journal entry to transfer the funds into the auxiliary cost sharing program/project. Proceed to step 10.</li> </ol>

	<b>Mandatory Cost Sharing</b>
CU Foundation Treasurer's Office	9. Process an electronic funds transfer and complete a cash receipt to transfer funds to the gift cost sharing program.
Requestor/Department	10. Process cost share expenditure documents as appropriate. If payroll cost share enter PeopleSoft human resources authorizations to charge the cost sharing payroll activity to the new cost share program/project and submit for departmental and Budget Office/Grants and Contracts approval as appropriate. Proceed to step 11. If non-payroll cost share, process cost share program/project expenditure (P.O., travel voucher, etc.). Proceed to step 16.
Grants and Contracts	11. Enter payroll cost sharing information into the electronic Personnel Effort Reporting (ePER) system.
University of Colorado System, Office of University Controller	12. Distribute ePERs on a semester basis to departments.
Requestor Department	13. Certify, as appropriate, cost sharing activity on the ePER form and return to Grants and Contracts.
Grants and Contracts	14. Compare cost sharing activity on the ePER form to the information provided on the "Cost Sharing Documentation and Program/Project Request Form."
Grants and Contracts/ Requestor Department	15. Reconcile any differences between the effort percentages provided on the "Cost Sharing Documentation and Program/Project Request Form" with those shown on the ePER. This would occur when the reported effort on the sponsored program/project account is 5% or more under the total of the payroll distribution for the sponsored program/project plus the mandatory cost share requirement.
Requestor/Department	16. Document and maintain records for any in-kind contributions. If none, proceed to step 18. 17. Forward in-kind contribution documentation to Grants and Contracts. Supply documentation at the end of the grant/contract budget period or as soon as possible at the end of each fiscal year (June 30), whichever comes first.
Grants and Contracts	18. Complete the sponsored program/project financial status reports and report on mandatory cost share activity by using the financial information in the cost share program/project, level of effort documented through the ePER system, and/or departmental in-kind contribution information.
Finance	19. Include all identified cost sharing in the calculation of the UCD F&A (indirect) cost rate.

	<b>Obligatory (Committed) Cost Sharing</b>
<b>Performed By:</b>	<b>Action:</b>
Requestor/Department	<ol style="list-style-type: none"> <li>1. Document the requirement for obligatory cost sharing in the appropriate section of the Routing Form. (Refer to the policy, Section D.4.c for a definition of obligatory cost sharing).</li> <li>2. Submit this form as part of the proposal approval process to Grants and Contracts.</li> </ol>
Grants and Contracts	<ol style="list-style-type: none"> <li>3. Coordinate with the applicable department when the award has been received regarding cost sharing. Assist the department as appropriate in completing necessary forms and/or answering questions regarding policy and procedure.</li> </ol>
Requestor/Department	<ol style="list-style-type: none"> <li>4. Provide information on the "Cost Sharing Documentation and Account Request" form, have responsible person(s) sign and forward to Grants and Contracts. If external in-kind contributions are used, attach an explanation. If UCD funds are the source of cost sharing, proceed to step 5. If in-kind contributions are the source of cost sharing, proceed to step 18.</li> </ol>
Finance or Grants and Contracts	<ol style="list-style-type: none"> <li>5. Review form for type of cost share expenditures. If payroll cost share only, proceed to step 12. If non-payroll cost share, proceed to step 6.</li> <li>6. Establish the new cost share program/project. The new program/project must have the same expense purpose code as the sponsored program/project. If an Unrestricted and/or Auxiliary program/project, proceed to step 7. If a Gift program, proceed to step 8.</li> </ol>
Requestor/Department	<ol style="list-style-type: none"> <li>7. Establish a budget in the new cost share program/project (requires completion of a Budget Change Authorization form). The budget for the new program/project must equal the total cost share expenditures to be made from this program/project during the fiscal year.</li> </ol>
Requestor/Department	<ol style="list-style-type: none"> <li>8. Submit to the Finance Office a request for transfer of funds for auxiliary cost share program/project. Submit a "Request for Transfer of Funds" to the CU Foundation for gift cost sharing programs. If an auxiliary program/project, proceed to step 9. If a gift program, proceed to step 10.</li> </ol>
Finance	<ol style="list-style-type: none"> <li>9. Prepare and process a journal entry to transfer the funds into the auxiliary cost sharing program/project. Proceed to step 11.</li> </ol>



	<b>Obligatory (Committed) Cost Sharing</b>
CU Foundation Treasurer's Office	10. Process an electronic fund transfer and complete a cash receipt to transfer funds to the gift cost sharing program.
Requestor/Department	11. Process cost share expenditure documents as appropriate. If payroll cost share, complete a Personnel Action Form (PAF) to charge the cost sharing payroll activity to the new cost share program/project. Submit the PAF for departmental and Budget Office/Grants and Contracts approval as appropriate. Proceed to step 12. If non-payroll cost share, process cost share program/project expenditure (P.O., travel voucher, etc.). Proceed to step 17.
Grants and Contracts	12. Enter payroll cost sharing information into the Personnel Effort Reporting (PER) system.
University of Colorado System, Office of University Controller	13. Distribute ePERs on a semester basis to departments.
Requestor Department	14. Certify, as appropriate, cost sharing activity on the ePER form and return to Grants and Contracts.
Grants and Contracts	15. Compare cost sharing activity on the PER form to the information provided on the "Cost Sharing Documentation and Program/Project Request Form."
Grants and Contracts/ Requestor Department	16. Reconcile any differences between the effort percentages provided on the "Cost Sharing Documentation and Program/Project Request Form" with those shown on the PER. This would occur when the reported effort on the sponsored program account is 5% or more under the total of the payroll distribution for the sponsored program/project plus the mandatory cost share requirement.
Requestor/Department	17. Document and maintain records for any in-kind contributions. If none, proceed to step 19. 18. Forward in-kind contribution documentation to Grants and Contracts. Supply documentation at the end of the grant/contract budget period or as soon as possible at the end of each fiscal year (June 30), whichever comes first.
Grants and Contracts	19. Complete the sponsored program/project financial status reports and report on obligatory cost share activity by using the financial information in the cost sharing program/project and/or departmental in-kind contribution information.

	<b>Obligatory (Committed) Cost Sharing</b>
Finance	20. Include all identified cost sharing in the calculation of the UCD facilities and administrative (indirect) cost rate.

**UNIVERSITY OF COLORADO DENVER  
GRANTS AND CONTRACTS  
COST SHARING DOCUMENTATION AND PROJECT REQUEST FORM**  
(Use only in mandatory and obligatory cost sharing agreements)

**PROJECT INFORMATION:**

UCD  
Project No. \_\_\_\_\_ Project Title \_\_\_\_\_  
Principal Investigator \_\_\_\_\_ Department Administrator \_\_\_\_\_  
Awarding Agency \_\_\_\_\_ Award or Agreement No. \_\_\_\_\_  
Budget Period \_\_\_\_\_

**COST SHARING INFORMATION: (Fill in budget below or attach additional pages)**

Salaries and Benefits: Employee Name	Payroll Cost Share Project	Payroll Dates		Percent of Effort	Amount to be Cost Shared
		Start Date	End Date		
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Other Direct Costs: \_\_\_\_\_ Estimated Fringe Benefits: \_\_\_\_\_

Description \_\_\_\_\_  
\_\_\_\_\_

Subtotal - Direct Costs \_\_\_\_\_

Facilities and Administrative Costs Rate \_\_\_\_\_% \_\_\_\_\_  
(Agency approval attached if required)

TOTAL COST SHARING =====

**COST SHARING PROJECT INFORMATION:**

Funding for this project will be from: State Auxiliary or Self-Funded Gift Speed Type \_\_\_\_\_  
(Circle One)

Project Requested by: \_\_\_\_\_ Name \_\_\_\_\_ Phone \_\_\_\_\_ Date \_\_\_\_\_

Who will approve expenditures and be responsible for the project?

\_\_\_\_\_  
Fiscal Principal Name (Print) Position Number

\_\_\_\_\_  
Fiscal Manager Name (Print) Position Number

Authorized Signature: Represents verification that the expenditures to be cost shared will not be used as matching funds for any other federal award; guarantees that funds are available to cost share toward the referenced project; and certifies that these funds will be incurred on the designated project(s) in satisfaction of the cost sharing requirements of the award.

Principal Investigator signature \_\_\_\_\_ Date \_\_\_\_\_

Departmental Administrator signature \_\_\_\_\_ Date \_\_\_\_\_

**This section to be completed by Grants and Contracts and/or Finance:**

Finance \_\_\_\_\_ Date \_\_\_\_\_ Grants and Contracts \_\_\_\_\_ Date \_\_\_\_\_

Project Title for Cost Share Project: \_\_\_\_\_ FOPPS and Speed type Assigned: \_\_\_\_\_

**Exhibit C**  
**SUMMARY OF UC DENVER COST SHARE POLICY**

<b>Type of Cost Share</b>	<b>Disclosed on UCD Grant/Contract Routing Slip?</b>	<b>Reflected in Proposal Budget/Narrative?</b>	<b>Department Completes Cost Share Document form?</b>	<b>Budget Change Authorization Required for UCD Cost Share?</b>	<b>Tracking Mechanism for UCD Funding Source</b>	<b>Tracking Mechanism for In-kind Contributions<sup>2</sup></b>
<b>Mandatory – required as a condition of the award</b>	Yes	Yes, in most cases.	Yes	Yes, if mandatory dollar match and cost share source is unrestricted or auxiliary program/project.	If mandatory level of effort requirement only, tracked through ePER. If mandatory dollar match, requires separate project. <sup>1</sup>	Department documents in-kind contributions and assigns dollar value for OGC/Finance use.
Obligatory – offered in proposal by UCD to be performed although not required as condition of award	Yes	Yes	Yes	Only if UCD non-payroll expenses are used for cost sharing, and source is unrestricted/aux.	Effort tracked through PER. Separate project for all non-payroll expenses. <sup>1</sup>	Department documents in-kind contributions and assigns dollar value for OGC/Finance use.
Voluntary – provided in excess of mandatory or obligatory cost sharing requirements	No	No	No	No	Effort tracked through PER. Effort 1% or more must be reported. Non-payroll cost share expenses documented by department for OGC/Finance use.	N/A
Facilities and Administrative Waiver/Reduction - Waiver/Reduction request by department requires prior approval of UCD.	Yes	Yes. Use of waived/reduced F & A to meet cost share commitments requires sponsoring agency approval.	No	No	“Facilities & Administrative Cost Variance Request” form will be used as source of cost share information	N/A

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<sup>1</sup> Project established in fund supplying cost share dollars.

<sup>2</sup> Not recommended as a source of cost sharing due to documentation requirements.