

## V. Procedures:

### A. Proposal Stage:

1. Preparing the Proposal Budget: If cost share is included in the proposal, it should be stated in the proposal budget and budget justification, broken down by line item category. The cost share should not be “buried” or implied in the project narrative. Since the budget is a restatement of the project in terms of dollars, the line item categories and amounts should be consistent with the scope of work described in the project narrative.

The proposal budget for the cost share dollars should include the same level of detail as the proposal budget for the sponsored funds.

When cost share effort (salary and benefits) is included, the PI should consider the following:

- a. The size and complexity of the project
- b. The sponsor’s cost share requirements
- c. The percentage of time already committed on other sponsored projects
- d. The amount of effort devoted to other functions, such as teaching, administration, and outreach
- e. The amount of effort devoted by others on the project, such as Co-PIs

Since not all proposals get funded, it is possible to include commitments of more than 100% of total effort. However, PIs should consider existing work and the requirements of all outstanding proposals. PIs should take care not to over commit themselves and others.

2. Preparing and Submitting the Pre Award Routing Sheet: Included with the proposal package is the Pre Award Routing Sheet. (See Exhibit D) Under Section III of the Pre Award Routing Sheet are two questions concerning Cost Share.
  - a. Does this project involve cost sharing ?
  - b. Does this agency require cost sharing ?

If the Cost Sharing is required/mandatory, answer Yes to both questions. If the Cost Sharing is not required, but the PI has chosen to include it in the proposal budget, the cost sharing is considered to be voluntary committed and the PI should answer Yes to #1 and No to #2.

In either case, if the project is funded by the sponsor, Florida Atlantic University has a binding obligation to meet and document the cost share.

3. Preparing and Submitting the Institutional Contribution Statement: At the proposal stage, when the proposal includes either mandatory or voluntary committed cost share that is provided by FAU, an "Institutional Contribution Statement" (See Exhibit E) is required, as stated in DSR Memorandum 98-04. (See Exhibit F) To complete this document, the cost share budget must be included for the costs provided by FAU, itemized by budget category. The FAU account(s) that are funding the cost share must also be stated, as well as the project period. Also, the required signatures (Department Chair, College Dean, and Provost/Campus VP) must be obtained. An electronic copy of the Institutional Contribution Statement and Instructions for Completion are available at [www.fau.edu/dsr](http://www.fau.edu/dsr) under "Electronic Forms". DSR Memorandum 98-04 can be found under the same website under "Policies and Procedures".
4. Obtaining Letters of Commitment for Third Party In-Kind Contributions: If the proposal includes a contribution from a party other than FAU or the primary sponsoring agency, the proposal package must include a letter on the third party's letterhead, signed by an authorized representative, endorsing and quantifying their estimated contribution to the project.

B. Post Award Stage:

1. Preparing the Post Award Worksheet: Once the award document is received from the sponsor, Sponsored Programs will prepare a Post Award Worksheet and send this document, along with a copy of the Pre Award Routing Sheet, the award document, and the approved budget to Research Accounting. The Post Award Worksheet states whether the project includes cost share.
2. Determining the Cost Share Obligation: The Cost Share Obligation is equal to the amount of mandatory and/or voluntary committed cost share proposed by the PI. It includes cost share funded by both FAU (as stated on the Institutional Contribution Statement) and by third parties (as stated on the Letters of Commitment). If in the negotiation of the award, the sponsor requires a greater amount of cost share than the amount proposed, the amount required by the sponsor becomes the Cost Share Obligation. In this case, a revised Institutional Contribution Statement is required to document the revised cost share budget and FAU accounts funding the cost share. The situation described above is rare.
3. Assigning the New Cost Share Account Number: Research Accounting will assign an account number to the project and notify the PI/Department Budget Coordinator of the new FAU Project Account number. At the same time, Research Accounting will notify the Department Budget Coordinator of the new cost share account for this project with the New Cost Share Account Memo (See Exhibit H). It is then the responsibility of the PI to use the cost share account to accumulate and record the cost share expenses that are funded by FAU.

Cost Share Accounts end in the following AU codes:

35	Boca Campus
36	Broward Campus
37	North Palm Beach Campus
38	Treasure Coast Campus

One cost share account is set up for each source account that is listed on the Institutional Contribution Statement. There is one exception to this rule. If an FAU Foundation Account (45 account) is listed on the Institutional Contribution Statement as a source account that will fund the cost share, a cost share account (ending in 35, 36, 37 or 38) will not be set up to account for these funds. Rather, a new FAU Foundation Account (45 account) will be set up to account for the cost share funded by the FAU Foundation. In such a case, the Institutional Contribution Statement should be routed to the FAU Foundation for signature, documenting their approval for their funds to be used as cost share on the project.

4. Processing the Budget Transfer: In order to set up the budget in the Cost Share Account, the Department Budget Coordinator initiates a budget transfer as follows:

For cost share that is funded by E&G funds, the E&G account number is stated on the left side of the budget transfer and the new cost share account is stated on the right side of the budget transfer. Since E&G funds are budgeted for each fiscal year, the total amount of the budget transfer should be for the amount of funds allocated to the current fiscal year. Each fiscal year will be budgeted separately. The total budget set up with the budget transfer(s) should in the end mirror the budget approved by the sponsor. After obtaining the appropriate signatures, the budget transfer is submitted to the University Budget Office, Admin. 265.

For cost share that is funded by an overhead account or another non-federal account, the source account is listed on the left side of the budget transfer and the cost share account is listed on the right side of the budget transfer. The budget should mirror the budget approved by the sponsor. After obtaining the appropriate signatures, the budget transfer is submitted to Research Accounting, RP7.

5. Posting Expenses to the Cost Share Account: All of the direct costs to be funded by FAU per the cost share budget, such as salary, fringe benefits, travel, and supplies, must post as expenditures on the cost share account(s). These costs will be reported on the Departmental Ledgers. The indirect costs included in the cost share budget will not post as expenditures on the

account. Rather these costs are calculated by Research Accounting, documented in the file, and reported to the sponsor as required.

6. Documenting Tuition Contributed by FAU: The cost of tuition may be “waived” by FAU for students contributing to the project. The tuition waivers, which are in-kind contributions, must be documented with a memo, signed by the PI, including the following information:
  - a. Name of the student(s) receiving the tuition waiver
  - b. Semester(s) involved
  - c. Number of credits waived for each student
  - d. Dollar amount per credit
  
7. Documenting Third Party In-Kind Contributions: For awards with support contributed by a third party, the PI should periodically request letters from the third party, documenting their actual contribution to the project to date. Such letters should be forwarded to Research Accounting so that the cost share met to date can be updated.
  
8. Monitoring Cost Share: Periodically, Research Accounting will send Cost Share Monitoring Memos to the Department Budget Coordinators. The memos outline the PI’s responsibilities regarding cost share. A Cost Share Status Report (See Exhibit J) is also included that states the amount of cost share documented to date as compared to the amount of funds spent on the FAU Project account. By comparing the percent of cost share met to the percent of award spent, it can be determined whether the cost share expenditures are keeping pace with the spending being made on the parallel FAU Project Account. The PI and/or Department Budget Coordinator should review the expenditures posted to the cost share account to date and determine if costs are posting as planned. It may be necessary to process superseding employment contracts or Expenditure Transfer Forms (ETFs) in order to move appropriate expenses to the cost share account(s).
  
9. Closing Out the Project: By the end of the project period, the cost share obligation must be met and documented. The FAU Project Account cannot be closed unless the cost share obligation has been met. Research Accounting will work with the PI and/or Department Budget Coordinator to determine the actual amount of cost share met, so that this amount can be reported to the sponsor, as required. The cost share account will be closed along with the FAU Project Account, following the standard close-out procedures.