



**Purpose:** The purpose of this document is to outline the process to account for cost share on cost share awards, internal awards, sponsored awards and NIH Salary cap.

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## OVERVIEW

There are a variety of funding mechanisms that can be used to meet cost share. These funding mechanisms must be documented in the sponsor approved budget to ensure the cost share accounts are set up properly. The following explains how we utilize each account to meet the cost share requirement.

## COST SHARE AWARDS

Cost share awards are set up by Grants Accounting with an award number starting with a 3 and will fund the same project and task as the sponsored award.

Example: **11308-20-1135624**      Sponsored Award

**11308-20-3203601**      Cost share Award

The cost share awards are funded by the departments from University or Foundation sources and the Award type on the cost share award must correlate with the source of funds that will be funding the award. The following are the award types.

## Types of Cost Share Awards

Name	Description	University Award Type	Foundation Award Type
<b>Mandatory</b>	The sponsor stipulates that cost sharing is required as a condition of receiving an award. This type of cost share must be tracked and reported to the sponsor.	COST SHARE MANDATORY (113000)	CST SHR OUF MANDATORY (420993)
<b>Voluntary Committed</b>	The sponsor does not stipulate that cost sharing funds are required but the Principal Investigator (PI) includes such cost sharing in the proposal and/or budget. This type of cost share must be tracked but does not need to be reported to the sponsor.	COST SHARE VOL & COMM (113100)	CST SH OUF VOL COMMIT (420994)
<b>Voluntary Uncommitted</b>	<p>Cost share that is not committed or budgeted in a sponsored agreement. This type of cost share is not tracked or reported for cost accounting purposes.</p> <p>For example, salaries are budgeted at 25% effort but the PI completed 30% effort. The extra 5% effort is voluntary uncommitted cost share that is covered by the departmental operating account and does not need to be tracked.</p>	No award type set up since this is not tracked or reported.	No award type set up since this is not tracked or reported.

## Process to fund Cost Share Awards

1. The department identifies the general ledger (GL) default cost center on budget template that is uploaded into LEO with the transmittal form when submitting the award documentation through the Office of Research and Sponsored Programs (ORSP).

- The GL default cost center is provided to Grants Accounting to fund the cost share award at the time of award set up.
- Every cost share award must have a GL default cost center. If at a future point the department changes the GL default cost center, all future funding transactions will use the new cost center. Prior funding transactions will not be adjusted.

NOTE: There is an optional shared activity code that is available for use in the default cost center. The activity code is 1120 SPONSORED COST SHARE. Use of the activity code is not a requirement but is available should a department chose to use this code.

2. Grants Accounting, Accountant completes the process for recording the revenue by completing the following two steps:

- Grants Accounting enters the GL default cost center in the Awards Descriptive Flexfield that is funding the cost share award in the Grants Module.
  - If a cost share award is already set up the GL default cost center on that award will be used unless changed by the department. Prior funding transactions will not be adjusted.
- Grants Accounting completes a revenue event in the Grants Module.

3. The department is responsible for completing a JET entry using object 630300 FUNDING TRANSFERS COST SHARE to transfer funding to the GL default cost center at the time of award set up if not already funded.

- The JET entry debits (charges) the PTA or GL accounts and credits the GL default cost center using 630300 FUNDING TRANSFERS COST SHARE.
- The line description on the JET entry needs to state this is funding a cost share PTA for a sponsored award and provide the departmental contact and email.
  - Example: Funding cost share 11111-11-3112601 for 1234567 Name of departmental contact and email
- The account(s) to fund the GL default cost center can be a PTA or GL account. However, a sponsored PTA (award starts with a 1 or 2) cannot be used. See Sponsored Award section for requirements.

NOTE: The department must fund the award for at least the first year of a multi-year grant if the budget is broken by year. If budget is not broken out by year then the entire budget will be funded up front.

## Example Default Cost Center Process

### University Default Cost Center

## Accounting for Cost Share

1) Department completes budget based on sponsor requirements. Default account number is provided to Office of Research and Sponsored Programs with the budget submission. The following is the format for the GL default account number using the cost share activity which is optional.

10-XXXXXX-XXXXXX-1120-00

2) Grants Accounting revenue example.

Debit cost share GL default account provided by department	10-XXXXXX-XXXXXX-1120 (sponsored cost share)-00-630300 (funding transfers cost share)
Credit Revenue (autoaccounting)	10-113000 (cost share - mandatory)-XXXXXX-0000-00-630300 (funding transfers cost share)

### Grants Accounting Revenue – Grants Funds Available

Proj #	Task #	Awd #	Awd Short Name	Agency Name	Task Org #/Name	PTA Start	PTA End	PTA Chargeable	Funding Amt	Budget ITD	Expense ITD	Commitment Amt	Avail Balance ITD	Fin % Cmpl ITD	Revenue ITD
16055	07	1135598	INNOVATION CENTER UPGRADES	ECONOMIC DEVELOPMENT ADMINISTRATION	950801 CAPITAL CONSTRUCTION	9/5/2019	6/5/2023	Y	88,300.00	88,300.00	0.00	0.00	88,300.00	0%	0.00
16055	50	1135598	INNOVATION CENTER UPGRADES	ECONOMIC DEVELOPMENT ADMINISTRATION	950801 CAPITAL CONSTRUCTION	9/5/2019	6/5/2023	Y	1,062,338.40	1,062,338.40	0.00	90,212.00	972,126.40	0%	0.00
16055	50	3533601	VPR - SPON PUBLIC SRV CST SHR	COST SHARE	950801 CAPITAL CONSTRUCTION	9/5/2019	6/5/2023	Y	287,684.60	287,684.60	0.00	22,553.00	265,131.60	0%	287,684.60
<b>Grand Total</b>									<b>1,438,323.00</b>	<b>1,438,323.00</b>	<b>0.00</b>	<b>112,765.00</b>	<b>1,325,558.00</b>	<b>0%</b>	<b>287,684.60</b>

### General Ledger Revenue – GL Funds Available drill down Object Summary 630300 – select Grants Revenue Transactions

Awd #	Draft Revenue #	Period	Funding/UBR Account	Funding/UBR Amount	Unearned Revenue Amount	PTA	Event Description	Revenue Amount	Account
3533601		9 JAN 2020	GL Default Account Number - provided by department	287,684.60	0.00	16055-50-3533601	Funding Cost Share 16055-50-3533601 for 1135598 1/6/2020 Katie Hensel/Stacy Strauss	(287,684.60)	10-113000-950801-0000-00-630300

3) Department completes a JET entry to transfer funding to the GL default account number using object code 630300 FUNDING TRANSFER COST SHARE for the amount funded.

The following entry is completed:

- Debits (charges) the PTA or GL accounts (cannot be a sponsored PTA)
- Credits the default cost center

### Foundation Default Cost Center

The Foundation Cost Center will follow the same process as the University except when multiple accounts are used to fund the same cost share award. An example of Foundation from one account and multiple accounts are outlined below.

NOTE: Reminder all expenditures from Foundation funds must comply with the terms of the gift agreement. For instructions on how to access gift agreements see [Accessing Gift Agreements](#).

1. Default cost center using one Foundation account:

50-XXXXXX-XXXXXX-XXXX-00-630300 (funding transfers cost share)

2. Default cost center funded by multiple Foundation accounts

50-420997 (Foundation cost share grants)-XXXXXX-XXXX-00-630300 (funding transfers cost share)

## INTERNAL AWARDS

All internal awards such as start ups, research incentive, planning unit awards and Vice President for Research competitive awards can be used to meet cost share. The process used to fund the cost share award would be completed transferring the funding from these accounts to the GL default cost center per the sponsor approved budget.

## SPONSORED AWARDS

Sponsored awards used as cost share must be included in the approved budget as part of the allowable cost share (award starts with a 1 or 2)

Example: Sponsored award from Ohio Development Services Agency, award 1331941, is used as cost share for a federal award received from Appalachian Regional Commission, PTA 11279-19-1132935. Sponsored awards will fund the project and task that requires cost share to be met per the approved cost share budget.

In this example, the Ohio Development Services Agency award will fund the cost share required by the Appalachian Regional Commission project 11279 and task 19. The PTA for the cost share will be 11279-19-1331941.

NOTE: Federal to federal is unallowable either directly or as pass-through funding. For example, a sponsored award for National Science Foundation is received from Ohio State University. Because it is federal, it is not permitted to be used as cost share for another federal award.

If awards used as cost share need to have each fiscal increment tracked separately, there will be an award set up each year to track the funding for that specific time period. This is because the sponsored awards will fund the same project and task that require cost share to be met. A unique award will track

the time period for that funding. Award 1919779, Appalachian New Economy Partnership, will be utilizing this process for future increments. These awards will have a term & condition that identifies these as sponsored awards used for cost share.

This example represents a sponsor who requires separate awards by fiscal year:

<b>11308-18-1135140</b>	Sponsored Award FY19
<b>11308-18-1919779</b>	Cost Share Year 1
<b>11308-20-1135624</b>	Sponsored Award FY20
<b>11308-20-1935696</b>	Cost Share Year 2

## NIH SALARY CAP

Cost share awards for salaries over the NIH Salary cap are tracked on a cost share award using award type COST SHR NIH SAL CAP (113200). Salaries over the cap are unallowable costs but must be tracked as cost sharing to ensure these costs are not charged to a sponsored award. See procedure, NIH Salary Cap.docx for accounting for cost share over the cap.

## FEDERAL WORK STUDY (FWS)

FWS student payroll cannot be used as cost share on another federal award. [Uniform Guidance 200.306 Cost sharing or matching](#) prohibits the federal government from cost sharing another federal award unless authorized by federal statute.