



WEBINARS

NAVIGATING RESEARCH ADMINISTRATION AT THE UNIVERSITY OF MICHIGAN

Cost Sharing: If you *must*, here are important things to know

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Who we are



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What we will cover

Cost Share:

- What is it?
- Where do you find it?
- When do you track it?
- What happens in Award Set Up?
- What happens year-to-year in project management?
- What happens at the end of the project?



Lifecycle of a Grant

PROPOSAL: We offer Commitments



AWARD: Commitments Become Obligations



Commitment Setup



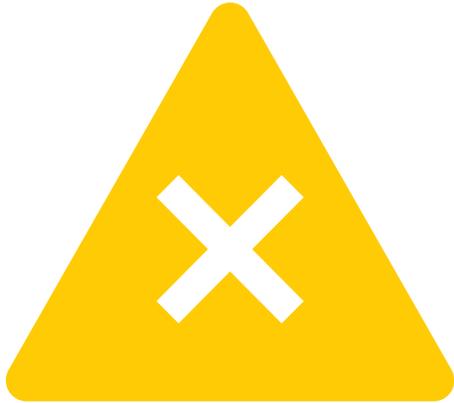
Commitments are Fulfilled

Tracking and Management



Documentation & Reporting of Fulfillment

Disclaimer!



Any & all examples
are hypothetical

What do you think?

Using the chat box



- Positives

- Negatives



What is the PI / team looking for?

Here is the first formula of the day....



The cost of the project **not** provided by the sponsor

What is a sponsor looking for?



- “Institutional Support”



- “Institutional Commitment”



- “Matching funds”

Where can you (try) to find partners to help support the project?

Drivers to participate

Strategic decisions by units

“We have to do it anyway”
(Institutional Investment)

Match required by sponsor
Benefit to >1 individual or unit

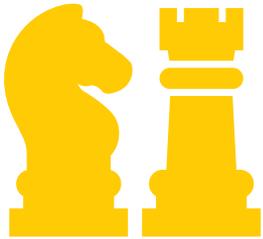
Multidisciplinary
Infrastructure investments
Prestige
Retention of the PI

What are units looking for?

It depends...

Bring all parties to the party

*Many units on campus expect to see
from all participating units/individuals*



Each unit may have a different
strategy

Case Study: OVPR

Priority: Project aligns with institutional strategies/goals

- Interdisciplinary involving > 1 school/college/unit
- Infrastructure benefitting > 1 school/college/unit
- Institutional prestige / reputation
- Consider unit's resources (is there a need?)

For more detailed information visit:

<https://orsp.umich.edu/develop-proposal/cost-sharing-requirements/ovpr-cost-sharing>

(S)he who has the gold...

Units have requirements, just like sponsors

Prep documents required to request OVPR Cost Share:

- The OVPR Cost Share Request form (on website)
- The total budget
- Project Abstract/description
- All school/college/unit approvals
- Any draft letters of support

Once documents are ready requests are entered into InfoReady Research by the [Associate Dean or their delegate](#) at least **3 weeks prior to sponsor due date.**

(S)he who has the gold...

And know the fine print:

OVPR reviews cost share requests as they are received and late requests are given lower priority. The requestor (the RAD/delegate) will receive a response via InfoReady when the request is reviewed. If approved, the project team adds the OVPR cost sharing to the PAF and attaches the OVPR Cost Share Request Form and the approval email from InfoReady. OVPR will then approve the PAF.

For questions about OVPR Cost Sharing, contact:
umor.costsharing@umich.edu

**You found someone to
invest.
Now what??**

Before proposing to a sponsor...



- Must be allowable costs
- Must not be used as match on another (federal) project
- Decide how to externally represent & internally capture institutional “cash” or contributions
- It may need to be tracked / verifiable

Definitions

- **Mandatory:** required by sponsor as a condition of eligibility or award
- **Voluntary:** offered by applicant and is not required by sponsor
 - **Voluntary Committed:** offered in the proposal and committed/budgeted as part of award
 - **Voluntary Uncommitted:** anything beyond that which is committed and budgeted for in award

Cost Share

UM Cost Sharing	Quantified	Non-Quantified
Sponsor Requires	Mandatory Commitment	
Sponsor Does Not Require	Voluntary Commitment	Voluntary – Not Tracked

Cost Share – Implications

UM Cost Sharing	Quantified TRACKED	Non-Quantified
Sponsor Requires	Mandatory Commitment	X
Sponsor Does Not Require	Voluntary Commitment	Voluntary – Not Tracked

Cost Share – How to capture

Remember:
PAF reflects what
we tell the sponsor

UM Cost Sharing	Quantified TRACKED	Non-Quantified
Sponsor Requires	Mandatory Commitment PAF - Details	X
Sponsor Does Not Require	Voluntary Commitment PAF - Details	Voluntary – Not Tracked PAF – Other Institutional Commitments

Test your knowledge – Poll #1

Written into the proposal is a statement that the department will provide 10% effort for the PI *and* provide any additional supply costs not in the budget.

Are the items:

- A. Mandatory Commitments
- B. Voluntary Commitments
- C. I need more information

Test your knowledge – Poll #2

Written into the proposal is a statement that the department will provide 10% effort for the PI *and* provide any additional supply costs not in the budget.

Do you mark the PAF:

- A. *Other UM commitment* for effort & supplies
- B. *Details of UM Cost Share* for the effort and *Other UM Commitment* for supplies
- C. Neither have a value, so nothing appears on the PAF

Cost Share – Other Sources

Type	In Proposal	On the PAF	What to do
Third Party Contributions	Quantified or Non-Quantified	Non-UM Commitment	Have a communication signed by an “appropriate institutional official” for the commitment
Leveraging of Another Sponsored Project	Described	Budget Notes section	Cite the existing P/G, verify the terms allow the usage / allocation, and verify dates of existing encompass the dates of commitment on the proposed.
Amounts over a Sponsor Allowed Cap for a line item	Described	No mention	Current accepted UM practice not to document on PAF for salary, tuition, other caps
Agreements between Units	Optional: Description	Internal UM Commitments	No requirement to list, but you can capture in the Internal UM Agreements section

**You have an award.
The exciting part begins!**

What happens in eRPM?

Carries to AWD tracking

- Details of UM Cost Share

Lives forever on the PAF

- UM Other Commitments
- Internal UM Agreements

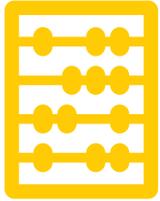
Doesn't carry to AWD, but watch for audit purposes

- Non-UM Cost Sharing / Internal U-M Agreements
- Leveraging other projects

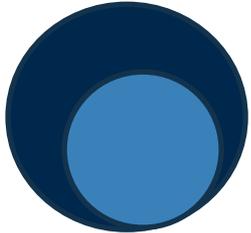


What will the project be held to?

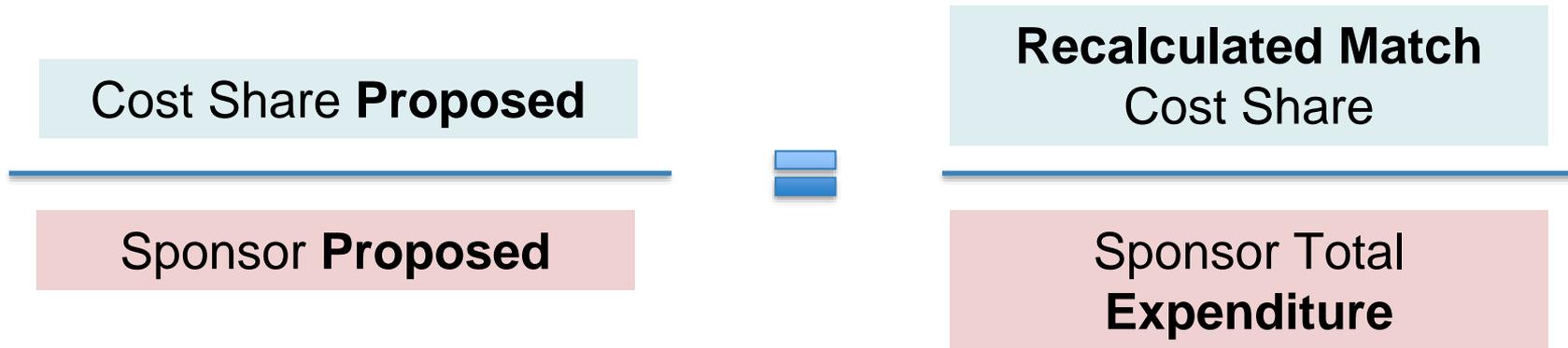
There is **match cost share** and the award amount changes:



- Recalculated adjustment



- Held to Proportionate Cost Share
 - proportionate to sponsor expenditure



- Stays proportionate
- Through life of award

What will the project be held to?

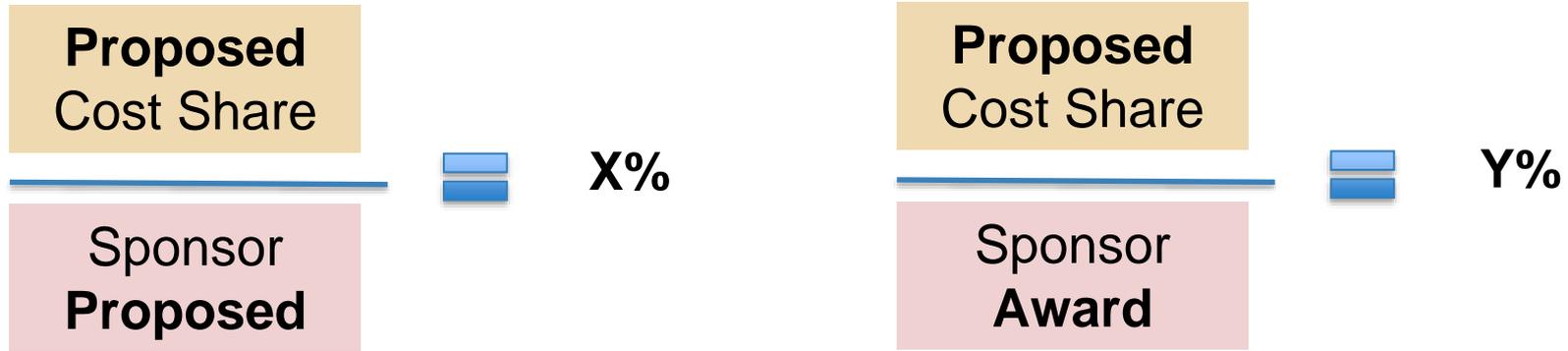
There is **cost share** and an award >80% of proposed:



- Held to full cost share

- New balance





- Often $Y\% > X\%$
- Math begins with $Y\%$ at close out

Options?



- Consider approaching sponsor to change the required cost share as part of award execution



- Award Acceptance Request (AAR)
 - Required to clarify or change the cost share
 - Will help with closeout!
 - Don't forget to include documentation

Post-Award Monitoring

- Reconcile the account
- Monitor expenditures
- Make projections on spend
- Collect Revenue
- Sponsored Programs provides a Cost Share Analysis
- YOU do the math in between
 - Many awards are 4-5 years before a close out
 - Surprises *shouldn't* happen

*All the usual activities
for sponsor funds, just
cost share account*

Tracking IDC on cost share

Should I be factoring in post-award monitoring?



- Yes
If match, you want the “credit” for those \$

- Remember
 - There is a cost of supporting the research
 - “paying ourselves” for the use of lights, water, building



Factoring in changes during project

File an ACR – Award Change Request

- Required to clarify or change the cost share
- Depending on the change, may require sponsor involvement
- Will help with closeout!
- Don't forget to include documentation

Test your knowledge – Poll #3

Faculty member has 10% effort Cost Shared that is estimated to be worth \$23,000 in salary + fringe benefits.

On the PAF *Detail of UM Cost Share*, which option is better for clarity in post-award?

- | | |
|------------------------------|----------|
| A. Support of effort | \$23,000 |
| B. Dr. K 10% effort & fringe | \$23,000 |

Test your knowledge – Poll #4

A faculty member is applying to an NSF MRI and has justified a spectrometer (equipment \$150,000) with \$75,000 in the budget to the sponsor and stating that U-M will provide the rest of the cost.

On the PAF *Detail of UM Cost Share*, which option is better for clarity in post-award?

- | | |
|-------------------------------------|----------|
| A. Support of equipment: | \$75,000 |
| B. Support 50% of the spectrometer: | \$75,000 |

**The project is closing.
It's all taken care of!**

Starting point for review

N0

/ 112

Cost Sharing Analysis

As of

CS Required Per PAN	\$63,124.00
Sponsor Authorization	\$99,808.00
Total Expenses (CS + Sponsor)	\$162,932.00
CS Required Percentage	38.74%

Actual Sponsor Expenses	\$85,684.72	<i>from WKS (Total</i>
Sponsor (Actual Expenses/Authorization)	85.83%	
Total Expenses (CS + Sponsor)	\$139,843.74	
CS Requested	\$54,179.02	



“The sponsor doesn’t care...”

Most common comment when cost share isn’t met



- It doesn’t matter....



- Go back, ask for confirmation
 - From an appropriate person



- File an ACR to reduce cost sharing
 - Include documentation

Highlights

- Cost share is one way to show institutional commitment to a project.
- Cost share = increased administrative burden.
- Quantification matters – a whole lot.
- Tracking is important and cannot wait until the end of the project.
- Be proactive!!



Share your tips!

Thank you!



Remember:
Complete the
Evaluation!

Contact the Navigate Team with
questions and comments
navigate-research@umich.edu