

Did you know cost sharing requires prior approval?

- **What is cost sharing?**

Cost Share occurs when a portion of the costs of an Award are not paid by the sponsor, but paid instead using resources within a department, school/college, or other party.

- **Who approves?**

The University and its fiduciary agents (e.g., department chair, dean, vice presidents) only when it is required by the grantor.

Below is more information to clarify and define the UT cost sharing policy ([HOOP 75](#)). Please take the time to read this information and if you are uncertain or have questions contact Lenora Trujillo, Lenora.G.Trujillo@uth.tmc.edu, in School of Dentistry Office of Research for guidance.

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Cost Sharing is a commitment made by the PI to use resources, other than the Award, for completion of the Award objectives. Cost sharing funds or resources under university control that are contributed or allocated to a sponsored project over and above the support provided by the external sponsor of that project. It is that portion of a project cost that is not borne or reimbursed by the sponsoring agency. Below are the various types of cost sharing and units of measuring. UT discourages Cost Share **Commitments** when not required by the sponsor due to 1) the high administrative burden of meeting Cost Share requirements and 2) the negative impact of Cost Share on UT's Facilities & Administration (F&A) Rate.

TYPES OF COST SHARING

- **Mandatory Cost Sharing:** Cost sharing required by the sponsoring agency as a condition of its support of a particular project. Mandatory cost sharing is usually specified in a program announcement or application package. Mandatory cost sharing is a binding obligation of the university.
- **Voluntary Cost Sharing:** Cost sharing the university contributes to a project at its own initiative without any requirement for cost sharing imposed by the sponsoring agency. There are two types of voluntary cost sharing:
 - **Voluntary Committed Cost Sharing:** Voluntary cost sharing offered by the university at the time of proposal submission. The proposed cost sharing amount is included in the budget. Once an award is made, voluntary committed cost sharing is a binding obligation of the university. The university actively discourages voluntary committed cost sharing.
 - **Voluntary Uncommitted Cost Sharing:** Voluntary cost sharing not offered by the university at the time of proposal submission. Voluntary uncommitted cost sharing is not included in the budget but is contributed after the award has been granted and more resources than awarded are needed to complete the project. Voluntary uncommitted cost sharing is not a binding obligation of the university. **The university actively discourages voluntary uncommitted cost sharing.**

Cost Share Commitment is calculated by one of the following Units of Measure:

- a **fixed** dollar amount (e.g., \$20,000);
- a **match** where the amount of funds provided by the sponsor will be matched by the amount of funds provided by the department (e.g., a 1:1 match would be where the department matches the sponsor in equal amounts);
- a **percentage** of the amount provided by the sponsor (e.g., the department will Cost Share 20% of the funds provided by the sponsor); or
- a commitment of the faculty's **effort** (e.g., the faculty will commit to Cost Share 20% of her effort).

If faculty effort is included in the Cost Share Contribution, it will be calculated in one of four ways:

1. Dollar-based Academic: where the value of Faculty Effort Contribution is calculated in a dollar amount and the FECs are generated on the Academic cycle;
2. Dollar-based Calendar: same as the Dollar-based Academic except the FECs are generated on the Calendar cycle.
3. Percent-based Academic: where the value of the Faculty Effort Contribution is calculated on the PI's percentage of effort and the FECs are generated on the Academic cycle;
4. Percent-based Calendar: Same as Percent-based Academic except the FECs are generated on the Calendar cycle.