

March 15, 2017

RAOR Forum: Cost Share Open Discussion

Discussion: When there is cost share on a project, IRIS has several ways to capture expenses. SPA may or may not need to set up a separate WBS. SPA will set up a cost share account that is easiest to manage. SPA may contact the department Business Manager after OSP sends the award to SPA to discuss the cost share account set up. When SPA contacts a Business Manager about the cost share account set up, the Business Manager will try to communicate to the PI the process. The Business Manager should contact their SPA accountant (see CJ20N for the account in IRIS to find out the assigned SPA accountant) to discuss the best process for both SPA and the PI/Dept.

Question: SARIF award for equipment...if there are multiple players in the award how is the cost share handled?

Discussion: OSP will pose the question "what was put in the proposal". Regarding title to equipment, the terms of the contract may dictate ownership. Also what was proposed and accepted by the sponsor and incorporated into the award agreement is relevant.

Discussion: If there is 3rd party cost share in a proposal and it becomes part of the award and if the 3rd party cost share falls through, the Sponsor needs to be notified immediately, not at contract's end, that the 3rd party cost share did not occur. PI/Dept will need to contact OSP and SPA so SPA is aware of the situation and so OSP can contact the contracting officer to request modification of the contract to eliminate or reduce the 3rd party cost share. There are 3rd Party Cost Share procedures in UT Fiscal Policy (see info below). 3rd party cost share is not tracked in IRIS. Departments should develop their own tracking mechanism and provide documentation to SPA on a periodic basis for reporting or invoicing purposes. SPA can help the departments monitor cost share – contact SPA. Any communication to SPA needs a copy to the SPA Accountant (see CJ20N in IRIS).

Third Party Cost-Share – UT Fiscal Policy FI0210 Section 14 (a through d) see below and at http://policy.tennessee.edu/fiscal_policy/fi0210/ Please note that the documentation detailed in 14c needs to be sent to Sponsored Projects Accounting (SPA).

14. Third-party contribution:

- a. Any cost sharing from a third-party source must be included in the proposal. Documentation must include a letter from such party on company letterhead signed by an individual authorized to commit the resources.
- b. The cost-sharing criteria are the same for the third party as it is for the university.
- c. Third-party in-kind expenditures will never appear in the university's accounting system, it is the principal investigator's responsibility to obtain an after-the-fact documentation of the cost sharing in a timely manner. The cost-share documentation should include the date of the service, cost of the service, and signature from the third party contributor. This documentation must be forwarded to the appropriate campus post-award office to file in the university's official record. It should be noted that this documentation is subject to audit.
- d. **Unmet cost sharing by a third party will become the responsibility of the principal investigator and his/her department.**