Objectives

◆ Understand what cost sharing is
◆ Learn the different types of cost sharing
◆ Learn the policies and regulations surrounding cost sharing
◆ How cost sharing is reported in the effort reporting system
Cost Sharing with Effort Reporting

◆ Cost sharing represents the portion of the total project or program costs that is not paid by the sponsor.

◆ These costs are usually paid by the University through unrestricted funding sources.

Cost Sharing Cases

1) Only a portion of the salary has been paid by the Sponsor.

2) Effort Without Salary (a.k.a. In-Kind Support)

◆ If no salary is paid on any Federal or Federal flow-through projects, the Effort Report status will be *Not Required*. 
**Types of Cost Sharing: Committed and Uncommitted**

- **Committed cost sharing** represents effort or other costs related to the sponsored award, that are included in the proposal budget or narrative but are not paid by the sponsor.
  - **Mandatory** (required by the sponsor as a condition of obtaining the award)
    - Example: In the Award Announcement it states that there is a Cost Sharing Component of $20,000
  - **Voluntary** (represents a voluntary commitment made to a project, either through the budget and/or through the narrative description of the proposal)
    - Example: UCLA volunteered to cover half of the PI’s salary. In the award documents the effort was listed at 50%, but the salary was budgeted for 25%. Therefore, the other 25% salary is considered voluntary cost sharing.

**Committed Cost Sharing**

- **Federal regulations require that committed cost sharing must be certified**
Types of Cost Sharing: Committed and Uncommitted

- **Uncommitted cost sharing**, sometimes referred to as voluntary uncommitted cost sharing, refers to any donated effort beyond that which is identified and committed to in the proposal or award.
  - Example: The PI’s effort and salary was listed at 30% in the budget. S/he was paid 30% salary, but actually worked 50% time on the project.

- Reminder: A Faculty Member’s effort on research should **not** be 100%.
  - It is a **red flag** to auditors if a Faculty member has 100% effort on research projects because Faculty members typically always do more than just research.

All Cost Sharing must be added manually

The **N/A to UCLA** will always be blank so all cost sharing must be **manually** added into the Cost Share Effort % to Certify column.
Cost Sharing is when a portion of the salary is paid by the sponsor

The employee committed 30% effort on Project A as stated in the award documents but only 21% was paid from the Sponsor. We must show 30% effort on the effort report.

Adding Cost Sharing to an Effort Report

Make sure you are in the Edit Report tab.

Add in the total percentage of cost shared effort in the Cost Share Effort % to Certify column on the Non-Sponsored Activities row.
Adding Cost Sharing to an Effort Report

Add in the cost shared effort on the project that benefited from the cost sharing.

Once added the total effort (payroll + cost sharing) will show on the right side in the Total Effort to Certify column.

Add a comment then save.

Cost Sharing has been added

Once the cost sharing has been saved, the changes will show in the Total Effort % to Certify column.

This column represents the true effort.
Effort Report is ready for certification

Now the Certifier can go into the **Edit Report** tab and certify the report.

Cost Sharing on Multiple Projects

- The employee committed 25% effort on Project A and 10% on Project B.

- Cost share 4% on Project A and 7% on Project B. Total cost shared is 11%.

- Add a comment then save.
Effort Without Salary

Effort without salary occurs when a faculty or staff member commits effort on the grant proposal budget, actually expends the effort on the grant, but no salary is charged to the grant fund. Generally, in these instances, the salary is charged to an unrestricted university fund.

- Even though salary is not charged to the federal grant, effort reporting is still required!
Because salary was not charged to the grant, the grant fund will not appear in the initial ERS report.

In order to manually add the grant fund, click on the **Add Additional Sponsored Project** button.

To add the appropriate fund, complete the following steps:

1) Type in fund number you would like to add
2) Click on the “Filter” button
3) Click on the “Select” button
Effort Without Salary & ERS

The fund now appears on the ERS report, so you can now add the appropriate amount of effort in the Cost Share Effort % to Certify, and offset the corresponding amount from the Non-Sponsored Activities row.

Effort Without Salary & ERS

If there was effort without salary for staff/faculty paid entirely off non-sponsored funds, and an ERS report does not exist in the system for that employee, an ERS report should be generated.

To generate an ERS report, click on the System Administration link from the main ERS page.
Effort Without Salary & ERS

Click on the **Generate Effort Report for Employee** link

- Type in the Employee ID #, choose the appropriate ERS quarter, and then click on the **Search** button
- Click on the **Generate** button
- Return to ERS to search for the employee’s generated report
Adding Effort Without Salary to a “Not Required” Report

◆ **Problem:** ERS report status is “Not Required” even though the PI or other personnel have Effort Without Salary

◆ **Definition:** If a PI or other personnel is paid 100% off of funding below the line (Other Sponsored Projects or Non-Sponsored Activities), the status of the ERS report will indicate that the report is Not Required. It is important to check “Not Required” reports each quarter to make sure that they are indeed not required

◆ **Solution:** If you know the funding source, follow the steps on slides 17-19 to add the sponsored project(s) and fill in the cost share information. This will change the report status to “Open”
100% of the employee’s Summer ‘14 salary was charged to unrestricted funding sources although they have a 21% mandatory effort commitment on fund 12345 during this time. The effort report was generated as “Not Required.”

Scenario 1

**Q:**

a) Why was the report generated as ‘Not Required’?

b) How should the employee report her effort in ERS?
## Scenario 1 - continued Payroll Detail

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Line Item Total/Report Total = Original Payroll % (3.0000/3.0000 = 1.0000)
### Section V: Cost Sharing and Approvals

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Scenario 1: Answer

◆ A. The effort report was generated with a Not Required status because no salary was charged to a federal project

◆ B. When salary is not charged to a federal project, but effort must be reported in ERS. In the Edit Report screen:
  - Click the “Add Additional Sponsored Project” tab
  - Enter the project fund number and Filter
  - Select the appropriate FAU
  - Add the appropriate cost sharing percent in the “Cost Share Effort % to Certify [D] column that pertains to the federal fund and subtract the same percentage from the “Non-sponsored Activities”
  - In the comment section, insert a comment and Save
  - Finally, have the report certified by the PI or employee
### Scenario 1: Answer -continued

A screenshot of a report is shown, detailing the Payroll %, Paid Effort % to Certify, N/A to UCLA, and Total Effort % to Certify for different categories of sponsored projects. The table is divided into several sections:

- **Federal and Federal Flow-Through Sponsored Projects**
  - Payroll % [A]: 0%
  - Paid Effort % to Certify [B]: 0%
  - N/A to UCLA [C]: 21%
  - Total % [A+C]: 21%

- **Total Federal and Federal Flow-Through Sponsored Projects requiring certification**
  - Payroll %: 0%
  - Paid Effort % to Certify: 0%
  - N/A to UCLA: 21%
  - Total %: 21%

- **Other Sponsored Projects**
  - Payroll %: 0%
  - Paid Effort % to Certify: 0%
  - N/A to UCLA: +0%
  - Total %: 0%

- **Non-Sponsored Activities**
  - Payroll %: 0%
  - Paid Effort % to Certify: 0%
  - N/A to UCLA: 100%
  - Total %: 79%

- **Total Other Effort not requiring certification**
  - Payroll %: 100%
  - Paid Effort % to Certify: 100%
  - N/A to UCLA: 21%
  - Total %: 79%

- **Grand Total**
  - Payroll %: 100%
  - Paid Effort % to Certify: 100%
  - N/A to UCLA: 0%
  - Total %: 100%

Additional notes indicate that the report requires multiple certifications, allows for cost sharing offset against other sponsored projects, and is under preliminary review.
Scenario 2: The student employee devoted 100% of her time on federal project 54321. 11% of her salary was paid from 54321, 23% from a work study fund in Other Sponsored Projects and 66% from Non-sponsored Activities. Is it okay to cost share from these sources? If so, how should the 100% effort on fund 54321 be shown?
Scenario 2: Answer

- Yes, it is ok, provided that it is a work study fund or if the other sponsored projects agency that you are cost sharing from allows it.
Scenario 2 – Answer- continued

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Note: Line Item Total Report Total = Original Payroll % (0.1364/0.6065 = 0.2271)

Fund Summary

As of April 29, 2015

Location: 4

Fund: 22493 TED WORK-STUDY FY13-14 JOHNSON 6/14
Department: 9089 CONTROL FIN AIDS

Fund Type: INCEPTION

OFFICIAL FINANCIAL REPORT OF THE UNIVERSITY OF CALIFORNIA AT LOS ANGELES

FSWS01B
4/06/2015 4:39:31 PM

32
How should 100% effort be reported on fund 54321?

![Image of a report with a table and a diagram]
**Scenario 2 - Continued**

1. **Select:** Report allows for Cost Sharing Offset Against Other Sponsored Projects

2. **Enter:** The amount you are cost sharing from the Other Sponsored Projects, in this case 23%

3. **Enter:** The amount you are cost sharing from the Non-Sponsored Activities, in this case 66%

4. **Enter:** The amount you are cost sharing from the Other Sponsored Projects and from the Non-Sponsored Activities, in this case 89%

5. **Make a comment,** save and have the report Certified
Q&A