**.010 General Information**

Federal regulations (Office of Management and Budget Code of Federal Regulations [2 CFR 200 Subpart E, Section 200.430(i)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.430)) require that educational institutions prepare and maintain documentation to verify the faculty and staff time devoted to a sponsored project whenever the payment for such time is directly charged to a sponsored project or claimed as cost sharing for a sponsored project.

Time directly charged to a sponsored project is the amount of an employee's time spent working on a sponsored project where payment for that time is from that project's funds.

Time claimed for cost sharing is time spent working on a sponsored project during the project or program period, but where the payment for that effort is from KSU funds (non-project, non-federal funds). Cost sharing is defined by the Federal Government in [2 CFR 200 Subpart A, Section 200.1](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1) as follows "cost sharing or matching means that portion of project costs not paid by the Federal funds or contributions (unless otherwise authorized by Federal statute." Additional information can be found in [2 CFR Subpart D, Section 200.306](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306).

**.020 OMB Cost Sharing Classifications**

There are three classifications for cost sharing: mandatory, voluntary committed, and voluntary uncommitted cost sharing. Mandatory cost sharing is cost sharing required by the sponsor as a condition of the award. Voluntary committed cost sharing is cost sharing not required by the sponsor but promised by the awardees. Both mandatory and voluntary cost sharing must be documented in the Cost Share system. Voluntary uncommitted cost sharing is faculty-donated time above that agreed to as part of the award. Voluntary uncommitted cost sharing should not be documented in the Cost Share system.

**.030 Charging Cost Sharing Time**

When a sponsored project has the requirement of charging cost share, the OSP Sponsored Programs Accounting team will establish a matching account (“M” account) for the award-owning department. Upon creation, a match letter will be drafted and disseminated with the appropriate award details and matching accounting information. As indicated in the match letter, the cost share must be charged directly via payroll to the assigned “M” account. If payroll costs of personnel in other departments were promised as cost sharing, it is the responsibility of the award-owning department to ensure that payroll is charged appropriately by each department.

**.040 Other Grant Funds as a Source of Cost Sharing**

Grant funds may be used as a source of cost sharing when the allowable criteria of [2 CFR 200 Subpart D, Section 200.306](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306), and other sponsor regulations are met. This will typically be non-federal sources, such as Foundation funds. To use grant funds as a source of cost sharing, a grant matching project needs to be requested from Sponsored Programs Accounting. The matching project will begin with a "G". Budget will be transferred out of the project which is the source of cost share and into the new matching project. The new matching project will map to the same award as the source of the cost share. Cost shared salaries will be paid from the grant matching project and will not be reported via the cost share system.

**.050 Importance of Accuracy and Timeliness**

Federal auditors will use reported cost share and statistics prepared to audit and approve or disapprove federal payments to Kansas State University. Therefore, it is very important that the charging of cost share to the assigned “M” account be done accurately and in real time, or as timely as possible.

Retroactive changes, completed via payroll transfers, affecting cost sharing time or an employee's source of salary will be allowed for the current and previous two quarters only. This is important to maintain a credible reporting system and to protect against audit disallowances.

**.055 Late Cost Share Transfers**

Changes or additions to cost sharing are considered transfers. These are considered a late transfer 90 days after the original cost share was due OR if the effort report due date has passed. Late cost share transfers will be allowed only in limited circumstances. For late transfers, the Late Cost Share Transfer Justification Form must be completed, signed and submitted to the OSP Sponsored Programs Accounting team for approval. In addition, the spreadsheet needs to be submitted via e-mail.

**.060 Account Funding**

These “M” accounts must be adequately funded and reconciled on a quarterly basis, by the award-owning department. If no funds have been transferred in for two consecutive quarters, a notice will be sent to the department contact and PI. After three consecutive quarters, if the “M” account is still not adequately funded, a notice will be sent to the Department Head and the account will be placed on hold in FIS. For multi-year awards, only the annual committed amount will need to be transferred to the “M” account.

**.070. Questions**

Questions on this chapter should be referred to the OSP Sponsored Programs Accounting team at [spaaccts@ksu.edu](mailto:spaaccts@ksu.edu).