Cost Share In SAP

Presented by

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Research Financial Services

IRIS
Integrated Resource
Information Systems

Cost Share in IRIS

➢ Define Cost Share

➢ When and How to use Cost Share

➢ Display postings

➢ How to fund the Cost share expenses

➢ Report on Cost Share balances

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Definition

Cost share is defined as project costs not borne by the sponsor. Cost sharing is also known as matching or in-kind contribution.

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Types of Cost Share

Mandatory Committed Cost Share: Cost sharing that is required by law, statute, regulation, written in the application guidelines for a specific program or included in the award document. Mandatory committed cost share is recorded in the University's accounting system and must be reported to the sponsor.

Voluntary Committed Cost Sharing: Cost sharing that is not required by law, statute or regulation, nor written in the application guidelines, but was quantified by the investigator in the proposal. Voluntary committed cost sharing is recorded in the University's accounting system and must be reported internally.

Voluntary Uncommitted Cost Sharing: Cost sharing that is not offered in the proposal and is not quantified in the award document. Voluntary Uncommitted Cost Sharing is not recorded in the University's accounting system and is not reported internally or externally.

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University Policy

➢ The University will only provide cost sharing when required by the sponsor or in exceptional situations when the institution determines that such a contribution is necessary to ensure the success of a competitive proposal.

➢ Cost share committed only to the extent necessary to meet the specific requirements of the agreement.

➢ In order for cost share to be considered committed it must be included on the Internal Approval Form (eIAF) and in the proposal budget.

➢ The responsible University officials must approve the cost share commitment on the IAF.

➢ The University is required to document and have on file the amount contributed to sponsored agreements.

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University Policy

➢ University of Kentucky Cost Sharing Guidelines
  • https://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-50-2.pdf

➢ Faculty Research Support Guide for Cost Sharing/Grant Matching
  • https://www.research.uky.edu/office-sponsored-projects-administration/cost-sharinggrant-matching

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eIAF

Enter the total Personnel costs to be requested from the Sponsor. Press tab and the cursor will move to the University column. This column is for any cost shared costs – those not paid by the sponsor. Enter a figure as appropriate.

If any amount appears in the University column for "Personnel," "Travel," "Equipment," or "Other Direct Costs," you must provide a narrative explanation of the reason for the cost share in the field below the Budget Summary section and attach a copy of the sponsor's policy stating a cost share requirement.

Please note the next field also asks that you provide a specific source of the University funds to cover this cost share commitment. You should provide a departmental cost center or a department account number in this space. If you are unsure of the correct number, you should contact your Business Officer.

7. Proposal Budget Summary *

	Sponsor	University	Total
Personnel	$ 100,000	$ 5,000	$ 105,000
Travel	$ 0	$ 0	$ 0
Equipment	$ 0	$ 0	$ 0
Other Direct Costs	$ 0	$ 0	$ 0
Facilities & Administrative	$ 0	$ 0	$ 0
TOTAL	$ 100,000	$ 5,000	$ 105,000

If any amounts appear in the "University" column, explain why you are not requesting the sponsor to cover the full cost of the project. Attach commitment letters if applicable. If the sponsor will not pay full Facilities & Administrative costs attach a copy of their written policy.

Indicate the specific source of any University funds to be used to conduct this project.

If the **only** field in the University column with an entry is "Facilities and Administrative," then you must provide an explanation of the reason for this in the field below the Budget Summary section and attach a copy of the sponsor's policy limiting F&A to an amount less than what is allowed per the University's federally-negotiated indirect cost rate agreement. Please then enter "N/A" in the next field asking for the specific source of the University funds to cover this cost share commitment.

https://www.research.uky.edu/office-sponsored-projects-administration/electronic-resources

Commitment

➢ When mandatory or voluntary cost sharing is specifically identified and described in the proposal budget and made a condition of the resulting award, the costs are considered "committed" so the university has an obligation to record the costs in the accounting system.

➢ Negative consequences of cost sharing include, but are not limited to, the following:

1. Tracking and documenting cost sharing is an administrative burden.
2. Unfulfilled cost sharing commitments or lack of documentation may result in expenditures not being reimbursed by the sponsor.
3. Cost sharing dollars in the aggregate have a negative impact on the University's Facilities and Administrative (F&A) cost rate: the higher the amount of cost sharing, the lower the resulting F&A rate.

➢ If you have questions concerning the detail of the cost you agreed to contribute in your proposal, contact your Research Administrator in the Office of Sponsored Projects Administration at 7-9420.

https://www.research.uky.edu/office-sponsored-projects-administration

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Cost Sharing Information Form   PADR 1

Date:	February, 25, 2019	PI: ▇▇▇▇	
Account:		UKRF/MIS #: ▇▇▇▇	Fund:
Title:	FlexPower ▇▇▇▇		
Sponsor:	Flex Power ▇▇▇▇		

The above referenced account has a cost sharing obligation which must be documented in accordance with University of Kentucky Cost Sharing Guidelines. Cost sharing was either committed in the proposed budget or is a result of the actual award totaling less than the proposed budget. Details are outlined below.

☑ This sponsored project includes a requirement to report cost sharing directly to the sponsor.

☑ Faculty effort is committed as cost sharing and must be documented through the Faculty Effort System.

Sponsored Project Accounting Reporting Details
F & A Rate: 53 %   Base: 4   Func. Area 0220   Is Off Campus: N   Budget Rule: 9

PROPOSED COST SHARING COMMITMENT
Completed by Office of Sponsored Projects Administration (OSPA)

Method	Budget Detail	Percent	Year	Amount	Matching Funds
Facilities & Administration	Unrecovered F&A	53.00		$5,255.00	
Faculty Effort System	Co-I L▇▇▇	2.00		$3,153.00	
Faculty Effort System	PI ▇▇▇▇	3.00		$6,762.00	

Direct: $9,915.00   Total: $15,170.00

OSPA Research Administrator: Sara ▇▇▇   Phone 257-▇▇▇
                                                  Email sara.▇▇▇▇

Remarks: Cost share is mandatory and is PI and Co-I salary and unrecovered F&A

cost share report is coded as special as report is due with each invoice, end of Q1 and end of budget period.

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Methods of Cost Share

- Faculty Effort System
- Departmental Cost Sharing
- Unrecovered or Waived F&A
  - If we receive less than UK's fully negotiated F&A rate on an award, the difference in rates should be used to fulfill a cost sharing obligation, unless prohibited by sponsor guidelines.
- Third Party Contributions
  - **In-kind** – must be documented on company letterhead with an original signature
  - **Cash** – create a separate grant or gift Cost Center, which will be determined on a case by case basis
  - **Subrecipient cost share** – must be recorded on each invoice; department should insure appropriate level of cost share before paying invoice; copy of invoice must be provided to Research Financial Services; department will be responsible for making up any shortage of cost share from the subrecipient
- Combination of any and all above

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Salary Cap

- Rate of pay limitation

- Restricts the base pay on direct salary

- Cost share is the method used to demonstrate compliance with salary cap limitations, not a cost share expense

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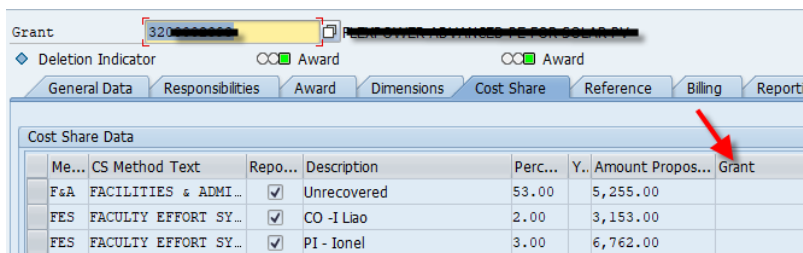
Cost Share Process in SAP

➢ A combination of the WBS element and Cost Share Fund are used to charge cost share expenses.

➢ This relationship is required to allow reporting by grant that shows both sponsor and cost share charges.

➢ When a new Grant with a cost share obligation is created, the Cost Share Fund will be added to the master data in SAP.

➢ Although no budget is established in SAP, expenses posted should follow the budget rule for the corresponding grant.

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Cost Share Process in SAP

➢ Cost Share information can be found under the Cost Share tab in the GMGRANTD transaction code

➢ If there is grant to grant Cost Share, the grant associated will be in the grant column on the Cost Share tab

Grant	320███████	▢	POWER ADVANCED PE FOR SOLAR PW

◇ Deletion Indicator ⬤⬤🟩 Award ⬤⬤🟩 Award

General Data	Responsibilities	Award	Dimensions	Cost Share	Reference	Billing	Reportin

Cost Share Data

Me...	CS Method Text	Repo...	Description	Perc...	Y..	Amount Propos...	Grant
F&A	FACILITIES & ADMI...	✓	Unrecovered	53.00		5,255.00	
FES	FACULTY EFFORT SY...	✓	CO -I Liao	2.00		3,153.00	
FES	FACULTY EFFORT SY...	✓	PI - Ionel	3.00		6,762.00	

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Cost Share Postings

➢ Any charges for cost share through payroll, PRD, JV, travel voucher, purchasing, service/ recharge centers, etc., must include the Cost Share Fund.

➢ The external fund for a grant will always be the default. The user will need to override the fund to charge cost share.

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Fund

➢ The cost share relationship is defined by a Cost Share Fund that is created for the grant.

➢ This Fund has a direct relationship to the campus area that is funding the cost share (i.e. Provost area, Research area, etc).

➢ The range of Cost Share Funds

    0011890000 – FISC AFF/IT COST SHARE
    0011890100 – RESEARCH COST SHARE
    0011890200 – MED CTR COST SHARE
    0011890300 – PROVOST COST SHARE
    0011890400 – Placeholder Only; Not Valid
    0011890500 – ADMIN COST SHARE
    0011890600 – WUKY COST SHARE

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Fund, Cont.

The Cost Share Fund is found in t-code GMGRANTD under the Dimensions tab for any grant with cost share obligations as shown below. The Cost Share Fund will be identified in the description.

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PRD Cost Share Example

When entering PRD to charge a cost share expense, the Cost Share Fund should be used. Also, the Cost Share Fund should be noted on the internal note section when creating the PRD entry.

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Faculty Effort System

In order to charge a Cost Share expense in FES Client, the Fund designated as the Cost Share Fund will need to be selected in the cost share column of the DOE.

FES Client
Payroll Tab

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Payroll Example
Info type 0027

Payroll charges to the cost share account will be processed through the info type 0027 screen in HR.

Trainee Tuition & Fees

Graduate RA Tuition

Graduate School Database –
The Graduate School/GSAS/Getting Started/Tuition Invoice Instructions
http://gradschool.uky.edu/sites/gradschool.uky.edu/files/funding/ViewScreenOptions-GSAS.pdf

Funding Cost Share Expenses

➢ Several general ledger (g/l) accounts are used to fund Cost Share:
  - 740510 Transfer from Cost Share – Salary Only
  - 750510 Transfer to Cost Share – Salary Only
  - 740515 Transfer from Cost Share – Benefits Only
  - 750515 Transfer to Cost Share – Benefits Only
  - 740520 Transfer from Cost Share – Operating Expenses
  - 750520 Transfer to Cost Share – Operating Expenses
➢ The debit entry will be to the Cost Center from which you are moving funds (750XXX g/l accounts). The credit will be to the Grant with the Cost Share Fund (740XXX g/l accounts).
➢ After typing in the Grant/WBS Element, also enter in the Fund, do not let it derive the Fund.

2 Items (Screen Variant : Standard 1)							
St...	G/L acct	Short text	D/C	Amount in doc.curr.	Cost center	WBS element	Fund
✔	750510	Tr to CS - Salary	Debit	60,000.00	1012003540		0011050100
✔	740510	Tr fm CS - Salary	Cred...	60,000.00		3046986300	0011890100

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Automatic Funding Program

➢ Departments have the opportunity to participate in the automatic funding program for cost share expenses charged to a sponsored project (WBS elements 304XXXXXX) on the cost share fund (0011890X00).

➢ Department provides a single cost center which will automatically be charged for any expenses posted to the cost share fund(s) for projects with the respective department listed as the responsible unit in SAP.

➢ The program is run monthly, typically the 3rd business day after calendar month end, and as needed at fiscal year end.

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Automatic Funding Program

➢ If/when a department begins participating in the automatic funding and has a project with cost share expenses from other areas, the program will charge only the cost center for the responsible unit. However the funding can be transferred between departments as needed. The instructions received from Accounting and Financial Reporting Services for such entries are:

The departments will need to use the 75 GL accounts on both sides of the transactions between the cost centers. Also, they need to put the grants that are involved in each of the transactions in the assignment fields.

Automatic Funding Program

There are currently two options to prevent the need for transfer of funding:

1. The department not listed as the responsible unit but has cost share expenses can submit a manual funding JV prior to month end for their faculty/staff (Generally monthly payroll is posted 2-3 days before the actual calendar month end if actuals are required). As long as the manual funding JV is posted prior to the automatic funding program (ran the 3rd business day after calendar month end), then the program will include the entry when comparing expenses vs. funding.
2. The responsible unit for the project can request that the account be added to the exclusion table – meaning all funding entries are once again manual.

Review Process for a JV to Fund Cost Share

➤ Reviewed by Accounting and Financial Reporting Services for correct transfer G/L accounts and cost center account validity.

➤ Once signed off, JV is reviewed to determine the following:

- Cost Share fund is listed along with the WBS element
- The 74XXX g/l account is associated with the WBS element
- The 75XXX g/l account is associated with the Cost Center
- Account is open and valid for posting

➤ If all information is accurate, the JV is posted

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Reviewing Cost Share

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Reviewing Cost Share

➢ If grant is ending and Cost Share Obligation has not been met.
  • If time allows, contact RA to get written approval from sponsor to reduce cost share in proposal. If sponsor agrees, Research Financial Services will need updated CSIF.
  • If financial report is due, grant expenses will be moved to Cost Share fund to meet Cost Share obligation.

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Cost Share Set up in IRIS

➢ Since July, 2007, any cost share created will use WBS element and cost share fund to both post charges and fund the account.

➢ The BW report grants ledger can be used to restrict your grant and cost share fund to view both expenditures and funding.

➢ The S_ALN_01000003 can also be used with the CS BALANCE (both expenditures and funding) or CS EXP ONLY (expenditures only) variants to view cost share information.

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Reviewing Cost Share Transactions in BW Grant Ledger
(for grants starting 7/1/07 and beyond)

➢ Go to BW Web Reporting on the IRIS Launch Pad 🔴 BW Web Reporting

➢ Click on FI Financial Accounting ⟹Grants Management, then select Grant Ledger – FI Summary (or version of choice)
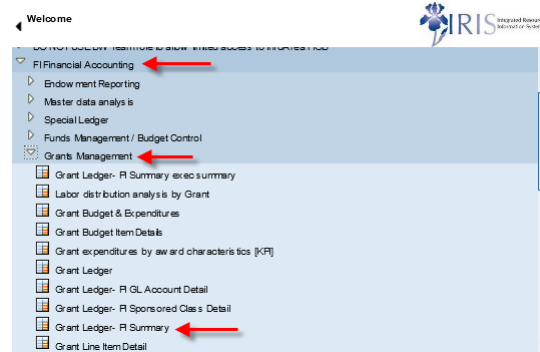
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Reviewing Cost Share Transactions in BW Grant Ledger, Cont.

➢ Enter the fiscal year and period (i.e. 009/2009)

➢ Enter the Grant

➢ Delete the E999999 from Sponsored Class and change the drop-down from <= to =

➢ Enter 001189* in the Fund selection and change the drop-down from = to *

➢ Click on [Execute] to run the report

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Reviewing Cost Share Transactions in BW Grant Ledger, Cont.

Reviewing Cost Share Transactions in BW Grant Ledger, Cont.

➤ The report shows you the breakdown of expenses by salaries and benefits.
➤ The funding totals are listed at the bottom of the report.
➤ The report can be exported to excel for easier manipulation and subtotaling.

GM project from date	GM project to date	Sponsored Class		G/L Account		Fund	Current Expense	Fiscal YTD Expense	Cumulative PTD Expense	Available Balance (Released)
07/01/2007	06/30/2008	E512011	Exec/Mgrl/Admin Sala	0000512011	Executive - Regular	0011890300		$ (143.16)	$ 34,137.29	$ (34,137.29)
				0000512012	Executive-Nproductv	0011890300		$ 143.16	$ 858.96	$ (858.96)
				0000512021	Prof Salaries - Mont	0011890300			$ 4,020.40	$ (4,020.40)
				0000512022	Admini-Nproductive	0011890300			$ 1,706.04	$ (1,706.04)
			Result					$ 0.00	$ 40,722.69	$ (40,722.69)
		E522000	Staff Benefits	0000520720	MFB - Staff	0011890300			$ 1,506.72	$ (1,506.72)
		E522011	Exec/Mgrl/Admin Bene	0000520103	EHC-Exec/Managerial	0011890300			$ 1,603.50	$ (1,603.50)
				0000520104	EHC-Prof Admin	0011890300			$ 365.00	$ (365.00)
				0000520203	ELI-Exec/Managerial	0011890300			$ 32.49	$ (32.49)
				0000520204	ELI-Prof Admin	0011890300			$ 6.59	$ (6.59)
				0000520303	FS-Exec/Managerial	0011890300			$ 12.84	$ (12.84)
				0000520304	FS-Prof Admin	0011890300			$ 2.74	$ (2.74)
				0000520403	FICA-Exec/Managerial	0011890300			$ 2,550.87	$ (2,550.87)
				0000520404	FICA-Prof Admin	0011890300			$ 411.93	$ (411.93)
				0000520503	Retmt-Exec/Manageria	0011890300			$ 3,631.62	$ (3,631.62)
				0000520504	Retmt-Prof Admin	0011890300			$ 702.64	$ (702.64)
			Result						$ 9,320.22	$ (9,320.22)
		R619999	Mand CS - Personnel	0000740510	Tr fm CS - Salary	0011890300			$ (45,715.81)	$ 45,715.81
				0000740515	Tr fm CS-Benefit	0011890300			$ (5,833.82)	$ 5,833.82
			Result						$ (51,549.63)	$ 51,549.63
		Result					$ 0.00	$ 0.00	$ 0.00

Reviewing Cost Share Transactions in BW Grant Ledger, Cont.

➢ If you choose to adjust the Free Characteristics and/or properties on the report, you can save your view for future reports.

➢ Click on Save View at the top left of the screen and follow the naming convention below using your username and description of choice.

➢ Click the Save button to save your view.

➢ Each time you run the report in the future, click on ▶Open View at the top left of the screen, then select the saved view of choice.

➢ In order to update the report, click on Variable Screen which will take you back to change Grant or any additional information required.

➢ Enhancements available since 2/23/09 enabling drilldown to Payroll/Labor Distribution.

Reviewing Cost Share Transactions in ALN

➢ SAP transaction code S_ALN_01000003

➢ Select Get Variant

➢ Delete the user name in Created By and Execute

➢ Choose "CS BALANCE"
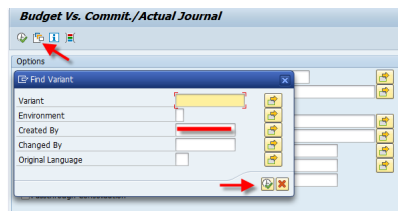
Reviewing Cost Share Transactions in ALN, cont.

- Enter Grant Number
- Select "By Grant" for Report Extraction
- Execute

Reviewing Cost Share Transactions in ALN, cont.

- View totals in the invoice column at the bottom of report.
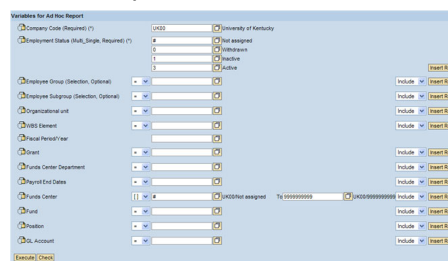
BW Labor Distribution Instructions

➢ Go to BW Web Reporting on the IRIS Launch Pad [BW Web Reporting]
➢ Click on HR Labor Distributions, then select Labor distribution
   analysis by WBS element.
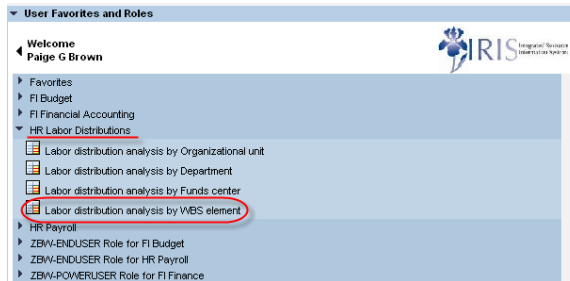
BW Labor Distribution Instructions, Cont.

➢ The company code and employment status should be filled in by
   default. Be sure to pull all employee statuses. Only the WBS
   element is required to run the report, but further selections can be
   used to filter the report information.

➢ Click on [Execute] to run the report

BW Labor Distribution Instructions, Cont.

BW Labor Distribution Instructions, Cont.

- ➤ Once you adjust the Free Characteristics and properties on the report, you can save your view for future reports.
- ➤ Click on Save View at the top left of the screen and follow the naming convention below using your username and description of choice.

- ➤ Click the Save button to save your view.
- ➤ Each time you run the report in the future, click on Open View at the top left of the screen, then select the saved view of choice.
- ➤ In order to update the report, click on Variable Screen which will take you back to change the WBS element or any additional information required.

Reporting Cost Share

➤ Cost Share reporting format and frequency is determined by the award.

➤ Some awards require cost share to be included as part of the invoices, others require it to be included on the report of expenditures.

➤ Requirements can vary from detail categories such as Salary and Fringe, to cumulative totals only.

➤ Sponsors can require invoices to include a certain percentage of cost share each reporting period. If these percentages are not met, the invoice will not be paid.

➤ It is important to determine these sponsor expectations to ensure prompt payment and accurate reporting.

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Reporting Cost Share

UKRF Invoice to Sponsor

Sponsor Invoice

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Wrap-up

- ➢ Do you have a cost sharing obligation?
  - See the Internal Approval & Cost Share Information Forms from OSPA and compare to the Cost Share tab on GMGRANT
- ➢ What is the appropriate fund to use to post expenses to or fund cost sharing?
  - 001189XXXX
- ➢ What g/l accounts are used when funding cost share?
  - Credit to Grant and Cost Share Fund – 740510, 740515, 740520
  - Debit to Funding Cost Center – 750510, 750515, 750520
- ➢ What BW report is used by Research Financial Services to review cost share expenses and funding?
  - BW Grant Ledger – PI Summary restricted to grant and cost share fund
- ➢ Questions????

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Contacts

- Obligation Questions – Contact your College Grants Officer or Research Administrator

  https://www.research.uky.edu/office-sponsored-projects-administration/ospa-staff

- Funding Questions – Contact Jessica Milner in Research Financial Services at jessica.milner@uky.edu

- Reporting or Financial Questions – Contact the award's Financial Administrator in Research Financial Services

  https://www.uky.edu/ufs/research-financial-administration

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