Cost Share In SAP

Presented by

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Sponsored Projects Accounting

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

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) <u>and</u> 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
   • http://www.uky.edu/EVPFA/Controller/files/BPM/E-50-2.pdf

➢ Faculty Research Support Guide for Cost Sharing/Grant Matching
   • http://www.research.uky.edu/vpresearch/guide/grantmatching.html

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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.

http://www.research.uky.edu/ospa/info/docs/eiaf.pdf

Obligation

- 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.

http://www.research.uky.edu/ospa/

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Cost Sharing Information Form

Date: October, 24, 2013	PI: ███	
Account: 3048███	UKRF/MIS #:███	Fund: 0011890300
Title: SI2-SSI Collaborative Research: AComputational Materials Data and Design Environment		
Sponsor: National Science Foundation		

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: 48.5 %   Base: 4   Func. Area 0220   Is Off Campus: N   Budget Rule: 4

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

Method	Budget Detail	Percent	Year	Amount	Matching Funds
Facilities & Administration	F&A on cost share effort			$0.00	
Faculty Effort System	Finkle 1% effort per year	1.00		$7,593.00	

Direct: $7,593.00   Total: $7,593.00

OSPA Research Administrator: Patsy J. Wood   Phone: 257-4526
Email

Remarks: Cost share is total for all years.
Cost share is PI 1% effort per year. Total = $7,593
and unrecovered F&A on cost shared effort.

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Methods of Cost Share

- Faculty Effort System
- NIH Salary Cap
- 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 SPA; 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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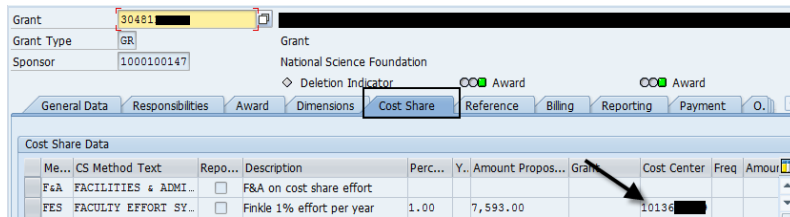
Cost Share Process in SAP

- 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.
- A 10136XXXXX cost center will be assigned for all committed cost share. However, no direct charges will be applied to the cost center.

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Cost Share Process in SAP

- When a new Grant with a cost share obligation is created, the Cost Share Cost/Funds Center (10136XXXXX) will be setup.
- Generally, each prime and scope will have a separate Cost Share Cost/Funds Center.
- Budget will be established according to the budget rule for the corresponding grant.
- The Cost Share Cost Center can be found t-code GMGRANTD under the Cost Share tab as shown below.

Grant	30481			
Grant Type	GR		Grant	
Sponsor	1000100147		National Science Foundation	

◇ Deletion Indicator ○○☐ Award ○○☐ Award

General Data | Responsibilities | Award | Dimensions | Cost Share | Reference | Billing | Reporting | Payment | O.

Cost Share Data

Me...	CS Method Text	Repo...	Description	Perc...	Y..	Amount Propos...	Gran	Cost Center	Freq	Amoun
F&A	FACILITIES & ADMI...	☐	F&A on cost share effort							
FES	FACULTY EFFORT SY...	☐	Finkle 1% effort per year	1.00		7,593.00		10136		

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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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How to Enter the Fund

➢ The Fund can be copied (Ctrl C) from the Dimensions tab on t-code GMGRANTD, and then pasted (Ctrl V) into the Fund section of your journal voucher entry, infotype 0027, etc.

➢ The fund can also be found using T-code ZFI_COBJ.

➢ After the Cost Share Fund has been entered into the field, hit the enter button to accept the change. Any cost share entry, whether funding the cost share account or charging it will be processed in this manner.

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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/DOE'S

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 - http://www.research.uky.edu/gs/dgsnotes.html

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.

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		0011950100
✔	740510	Tr fm CS - Salary	Cred...	60,000.00		3046986300	0011890100

2 Items (Screen Variant : Standard 1)

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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 there 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 General Accounting 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.

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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.

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SPA Review Process for a JV to Fund Cost Share

➢ Reviewed by General Accounting for correct transfer G/L accounts and cost center account validity.

➢ Once signed off on by GA, 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

TITLE OF GRANT AND GRANT NUMBER

The above referenced grant will terminate on **XX/XX/XX.** In order for Sponsored Projects Accounting (SPA) to complete and deliver the final financial report to the sponsor on time, all direct and cost sharing commitment expenses must be posted to the financial system (IRIS-FI) by the end of the aforementioned business day.

All postings to the grant will be blocked on the termination date and no expenses may post after that date.

If you are requesting an extension or you know of any problems with the grant, please respond to this email, copying your FA in SPA and your RA in the Office of Sponsored Projects Administration (OSPA) immediately so that we do not close the grant or submit an incorrect report to the sponsor.

Please review this grant and related scopes for the following:

- **EXPENSE AND BUDGET VERIFICATIONS**
  - Verify that all expenses posted to the grant are accurate and complete and comply with the sponsor and university policies.
  - Review the *GM4VCOVRW* transaction, *UKDEFAULT* variant, in IRIS-FI production in order to view all over-budget or unbudgeted items, total budget and total expense of the grant. As an alternative, review the Business Warehouse (BW) report *PI ledger – Summary* for the current period/fiscal year. Instructions on running these reports are available at <http://www.ukv.edu/IRIS/GM/piresources.html> .
  - Verify all open items have been resolved and completed in IRIS-FI production.
- **SUBAWARDS**
  - Verify that all subcontract and purchase order invoices have been completed, received and paid if appropriate.
- **PAYROLL**
  - Review all personnel expenses posted to the grant through the human resource system (IRIS-HR) to verify that all charges are posted correctly.
- **FES**
  - Verify that the effort committed to the project in the proposal for all key personnel is recorded accurately and variances are documented. Verify that all faculty distribution of effort (DOE) forms are recorded accurately in the IRIS-FES system.
- **INDIRECT OVERRUN**
  - Indirect G/L accounts that are not specifically budgeted in the project or any costs deemed unallowable should be removed before the termination date. According to the University's Costing Guidelines for Sponsored Projects, any of these costs remaining on the grant after this date will be moved to the Dean's Indirect Overrun Cost Center by Sponsored Projects Accounting. Costs moved to this cost center may be transferred to another non-sponsored cost center at a later date.
- **DIRECT OVERRUN**
  - Review any expenses over and above the awarded or budgeted amount. Expenses over and above the total amount of the award that directly benefited the project will be moved to the Dean's Direct Overrun Cost Center by Sponsored Projects Accounting upon closing the grant. These expenses are considered cost share and cannot be transferred from the grant prior to closing. Costing Guidelines do not allow expenses moved to the Dean's Direct Overrun Cost Center to be transferred to any other cost center or grant. A budget revision to this cost center must be processed to cover the expenses.
- **COST SHARE**
  - Please review your Cost Share Information Sheet, if applicable, and guarantee that the commitment made is fulfilled, posted correctly to the IRIS-FES system and fully funded. If outside of the IRIS-FES system, please make sure it is documented correctly and sent to Sponsored Projects Accounting for verification. Any unfulfilled commitments could result in a reduction of budget and refund to the sponsor. Any refund amounts resulting from unfulfilled cost share commitments will be charged to your department.

If you have any questions or know of any potential problems with completing the close-out of this grant on time, please give us a call at 257-3662.

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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, SPA 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 – PI Summary (or version of choice)
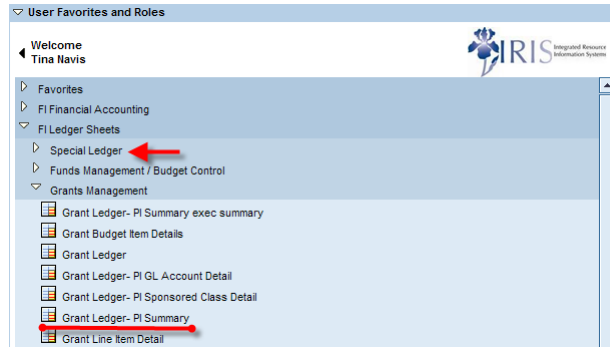
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Reviewing Cost Share Transactions in BW Grant Ledger, Cont.

➢ 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.

Variables for Ad Hoc Report

Statistical indicator (*)	R	Real Posting
Fiscal Year		
Fiscal Period/Year (Required) (*)	003/2009	SEP 2009
Company Code (Required) (*)	UK00	University of Kentucky
G/L Account	#	UK00/Not assigned To 0000999999 UK00/0000999999
Business Area	=	Include Insert Row
Functional Area	=	Include Insert Row
Fund Department	=	Include Insert Row
Prime Grant	=	Include Insert Row
Grant	=	3048103613 OFFICE OF TECHNOLOGY Include Insert Row
Grant Responsibility type	=	Include Insert Row
Grant Sponsor	=	Include Insert Row
Sponsored Program	=	Include Insert Row
Sponsored Class	=	Include Insert Row
Funds Center	=	Include Insert Row
Fund	*	001189* Include Insert Row
Discipline	=	Include Insert Row

Execute Check

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		$ 858.96	$ 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	$ 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	$ 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.

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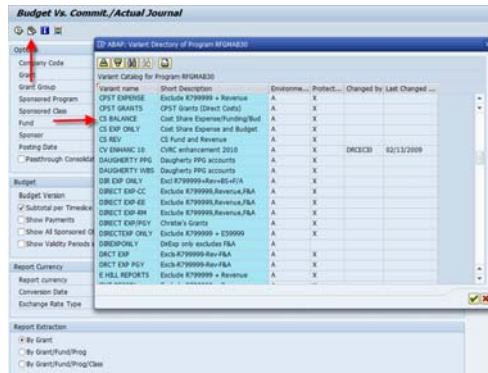---

Reviewing Cost Share Transactions in ALN

➢ Go into SAP, then select T Code S_ALN_01000003
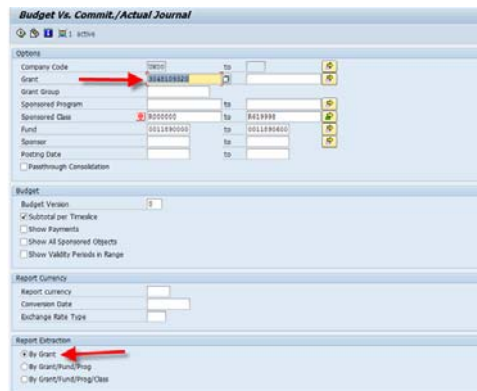

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Reviewing Cost Share Transactions in ALN, cont.

➢ Select Get Variant
➢ Choose "CS BALANCE"

Reviewing Cost Share Transactions in ALN, cont.

➢ Enter Grant Number and Execute
➢ Select "By Grant" for Report Extraction

Reviewing Cost Share
Transactions in ALN, cont.

➤ View totals in the invoice column at the bottom of report.

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BW Labor Distribution Instructions

➤ Go to BW Web Reporting on the IRIS Launch Pad

➤ Click on HR Labor Distributions, then select Labor distribution analysis by WBS element.

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BW Labor Distribution Instructions, Cont.

➢ The company code and employment status should be filled in by default. 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

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BW Labor Distribution Instructions, Cont.
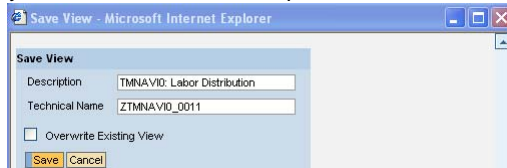

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BW Labor Distribution Instructions, Cont.

➢ 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.

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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 SPA 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
  http://www.research.uky.edu/ospa/info/staff.html
- Reporting or Financial Questions – Contact the award's Financial Administrator in SPA
  http://www.uky.edu/EVPFA/Controller/sponsor.htm

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