



Standard Administrative Procedure (SAP)

15.01.01.L1.05 Documentation and Other Aspects of Cost-Sharing

First Approved: February 25, 2014
Revised: October 29, 2018
December 20, 2023
Next Scheduled Review: December 20, 2028

Procedure Statement and Reason for Procedure

This SAP identifies the requirements for documentation of cost-sharing for externally-funded sponsored projects.

Procedures and Responsibilities

1. GENERAL

- 1.1 When in its best interest, Texas A&M International University (TAMIU) may commit to bear some portion of the costs of a sponsored project. This is known as cost-sharing. Cost-sharing includes all contributions, cash and in-kind, mandatory and voluntary, uncommitted and committed, to the sponsor as part of the sponsored agreement.
- 1.2 Cost-sharing must be administered and documented by TAMIU in accordance with federal and state laws and in accordance with the sponsored agreement as described in Texas A&M University System (System) [Regulation 15.01.01, Sponsored Agreements–Research and Other](#).
- 1.3 Cost-sharing accounts, which are separate subsidiary ledger accounts, should be established at the same time the award account is established.

2. CRITERIA AND DOCUMENTATION OF COMMITTED COST-SHARING EXPENSES

- 2.1 Cost-sharing must be documented and identifiable in TAMIU's accounting or time and effort system, with the exception of waived facilities and administrative (F&A) costs.
 - 2.1.1 Examples of cost-sharing documentation include financial transaction reports, time and effort reports, timesheets, payroll voucher detail, vendor invoices, or interdepartmental transfers.
 - 2.1.1.1 For a sponsored project funded by NIH, if the Principal Investigator's/Project Director's (PI/PD) institutional base salary exceeds the NIH salary cap, TAMIU will record as a cost-share the difference between the NIH salary cap and the actual salary, along with associated fringe benefits and F&A costs.
 - 2.1.1.2 For the purposes of identifying cost-sharing and certifying time and effort, uncommitted cost-sharing is not tracked or documented since these costs are excluded from the payroll and accounting records of TAMIU.
 - 2.1.2 The period of performance for a cost-sharing account should be the same time period as the associated sponsored project account.
 - 2.1.3 Cost-sharing expenditures must be allowable and allocable under OMB Uniform Guidance 2 CFR Part 200.306.
 - 2.1.3.1 The costs may not be included as cost-sharing for any other project.
 - 2.1.3.2 Costs should not be paid by the sponsor under any other award.
 - 2.1.3.3 Federal funds must not be used as cost-sharing on another project without prior approval.
 - 2.1.4 Costs should be necessary and directly related to sponsored project objectives.
 - 2.1.4.1 The amount of the cost-sharing budget should match the amount of cost-sharing approved and awarded by the sponsoring agency.
 - 2.1.5 Third party contributions for cost-sharing should be documented by obtaining the documentation from the third party. The third party should provide documentation that verifies their cost-sharing contribution.
 - 2.1.5.1 In-kind contributions represent the value of non-cash contributions provided by TAMIU or non-federal, third parties. Typical examples of in-kind contributions are services provided by volunteers and contributed time.
 - 2.1.5.2 Property purchased with federal funds may be contributed to a federally-sponsored project only if authorized by federal legislation.

- 2.1.6 Waived F&A costs are not recorded in the accounting system but are calculated as the difference between the actual F&A earned for a project and the F&A that could have been earned if the full applicable F&A rate for the project had been applied. Waived F&A should be reported as cost-share when allowed by the sponsor agency.
- 2.2 Cost-sharing accounts should be identified in TAMIU's financial accounting system by assigning an effort category (instruction, organized research, or other sponsored activities shown on Screen 006 in FAMIS).

3. RESPONSIBILITY FOR COST-SHARING ACCOUNTS

- 3.1 Voluntary cost-sharing is strongly discouraged, unless deemed necessary due to the competitive nature of a specific award, as these arrangements require funding sources from TAMIU.
 - 3.1.1 The PI/PD must provide a statement of explanation to be included in Maestro or within the proposal's documentation, which outlines the benefits for providing voluntary cost-sharing and must have appropriate internal approval as outlined in 3.1.2.
 - 3.1.2 All voluntary cost-sharing will be reviewed and approved in Maestro by the account administrator of those resources; Director of Budget, Payroll and Fiscal Analysis; department chair or supervisor, dean, or appropriate vice president; and the Provost and Vice President for Academic Affairs (Provost). Voluntary cost-sharing will be approved by the Office of Grants & Contracts (OGAC) and Director of Budget, Payroll and Fiscal Analysis prior to submission of the proposal. It is recommended that the PI/PD communicate the details of any cost-sharing to their supervisor and the account manager prior to routing the proposal and budget through Maestro.
 - 3.1.3 The Provost has been delegated the responsibility as the Institutional Official for sponsored projects; therefore, it is the responsibility of the Provost to keep voluntary cost-sharing to a minimum. In this capacity, the Provost will review the cost-sharing commitment for all sponsored agreements during the routing process in Maestro.
- 3.2 When a sponsored project includes cost-sharing arrangements, increased monitoring by OGAC is necessary to ensure compliance with sponsor requirements, as well as TAMIU and System policies and regulations.
 - 3.2.1 OGAC will receive sponsored project award information.
 - 3.2.2 OGAC will submit requests for the creation of new cost-sharing accounts to the Comptroller's Office.
 - 3.2.3 OGAC will ensure the appropriate amount is budgeted and reported to the agency as required.

Related Statutes, Policies, Regulations, or Rules

[OMB Uniform Guidance Title 2 CFR, Part 200, Subpart D – Post Federal Award Requirements, § 200.306 – Cost sharing or matching](#)

[System Regulation 15.01.01, *Sponsored Agreements – Research and Other*](#)

Definitions

Cost-Sharing – The portion of the total costs of a sponsored project that is not provided by the sponsor. Cost-sharing can be in the form of cash and/or in-kind.

Facilities and Administrative Costs (F&A), also known as Indirect Costs (IDC) – Real costs that provide reimbursement for actual institutional expenses that support sponsored agreements but cannot be directly charged to a grant or contract. The costs result from shared services such as libraries, physical plant operation and maintenance, utility costs, general, departmental, divisional and sponsored projects administrative expenses, and depreciation or use allowance for buildings and equipment.

FAMIS – Financial Accounting Management Information System, the accounting information system for the System.

In-Kind Cost-Sharing – The value of non-cash contributions provided by TAMIU or third parties.

Maestro – An enterprise-wide system that supports researchers and research administration across the System. Through Maestro, researchers can route their proposals for internal review and approval and manage their accounts once awarded. Authorized users can add research keywords to their personal profile, search for colleagues with a specific area of interest, and search for funding opportunities. Authorized users can login with their UIN and password via Single Sign On.

Mandatory Committed Cost-Sharing – Cost-sharing that is required by the sponsor and that is included in the proposal's budget by TAMIU and, therefore, becomes a binding requirement of the sponsored project.

NIH Salary Cap – The amount of salary, legislatively-mandated, which can be paid to an individual from an NIH grant. The cap establishes a maximum annual rate of pay at which an individual's full-time effort over a twelve-month period can be charged for a federal contract, grant, or cooperative agreement. It is not intended to limit the actual salary paid by the institution, as the institution may pay an individual in excess of the salary cap.

Principal Investigator/Project Director (PI/PD) – The person who takes direct responsibility for completion of a funded project, directing the research or program, and reporting directly to the funding agency.

Third Party Cost-Sharing – A source of cost-sharing provided by a source outside of TAMIU, such as a private corporation.

Voluntary Committed Cost-Sharing – Cost-sharing that is pledged by TAMIU on a voluntary basis in the proposal's budget and, therefore, becomes a binding requirement of the sponsored project.

Voluntary Uncommitted Cost-Sharing – Cost-sharing provided by TAMIU on a voluntary basis but is not included in the proposal's budget and, therefore, is not a binding requirement of the sponsored project.

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