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FINANCE OFFICES, SPONSORED PROGRAMS OFFICES AND/OR ANY PERSONNEL
RELATED TO THE MANAGEMENT OF FEDERAL ACCOUNTS



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Director



Cost Share Commitments Clarifications

Cost share or matching are contributions made by the University of Puerto Rico using unrestricted institutional funds towards accomplishing sponsored projects objectives. Certification 16 2011-2012 establishes the UPR overarching policies & procedures for cost-sharing or matching.

As stated in the aforementioned certification, **committed** cost sharing/matching funds may be mandatory or voluntary. The university may commit:

- **Mandatory** cost sharing/matching funds as a pre-condition of the sponsor to approve an award; or,
- **Voluntary** cost sharing/matching funds on a voluntary basis without the sponsor's requirement as a condition to grant an award.

In addition, the University incurs in **uncommitted voluntary** cost sharing/matching when on a voluntary basis there are costs/funds associated with a project not being funded by the sponsor, yet no commitment of the university has been indicated for these costs in the body of the proposal, the proposal's budget or in any other communication to the sponsor. Uncommitted cost sharing/matching need not to be reported or tracked to be in compliance.

On the other hand, committed cost sharing/matching funds become an integral part of a sponsored project/program once awarded, and hence are subject to institutional and sponsor rules, regulations and audits. It is important to address that when cost sharing/matching funds are required (mandatory), the level of cost sharing provided must meet sponsors' expectations, but not exceed these. The level of cost sharing/matching funds committed must be provided by the university, even after the actual effort and other costs required to accomplish the goals of a sponsored project differ from what was proposed and awarded, if required by the sponsor. The total costs could decrease due to changes in

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programmatic needs. Consultation with the sponsor is essential to determine if the reduction can be applied to both sponsor and university contributions on a

pro rata basis, and hence seek prior approval for such reduction. If such were not the case, the sponsor's share may be reduced, **yet the UPR entire cost sharing/matching funds commitment must be met.** Consultation between the PI/PD, his/her research administrator, the campus/unit office of sponsored project, and/or the Office for Research Compliance & Integrity is advisable before the sponsor is contacted on this matter.

Costs included as cost-sharing/matching should follow the same rules of allowability as sponsor provided direct costs. Additionally, when expenses using the University funds are included as cost sharing commitments, the associated indirect cost is not visible in the accounting system. However, indirect or F&A costs associated to cost shared University resources **may be included** as part of the University cost sharing commitment **only if it is prior approved by the sponsor.**

Please advise the relevant university officials in your Campus/Unit as to monitor cost sharing expenses to assure it complies with the amounts committed and allowability of the expenses.

Cc Dr. Jorge Haddock, President
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Chancellors