Training Credit

• Effective August 2017, employees must use k@te to submit training credit forms
  • hr.tennessee.edu/training
  • Choose: Register, then login, Learning, View Your Transcript, Options, Add External Training

• An EOD staff member will approve trainings weekly
Cost Principals Governing Funds

- Uniform Guidance (UG) Subpart D, identifies the requirements for managing post-award funds.
- In general, UG requires all costs to be reasonable, allocable, allowable, necessary, and consistently treated.
- Specific training on the cost principles is available. Please contact Jay Taylor @ vtaylor@utk.edu.
Cost Share Types

• **Mandatory** - This type is required either by statute or by administrative regulation. If mandatory cost share is required, it will be explicitly set forth in the project announcements or guidelines issued by the sponsor. (This is reported and tracked in IRIS)

• **Voluntary Committed** - This type is not required by the sponsor but included voluntarily in the proposal. Both UT and UG recommend that cost share not be volunteered. Once volunteered, it is then required. (This is reported and tracked in IRIS)

• **Voluntary Uncommitted** - This type is neither mandatory nor voluntary committed. It is the cost share portion that naturally occurs during progress of work. (It is not reported to the sponsor)

• **Fiscal policy link FI0210** -
https://universitytennessee.policytech.com/dotNet/documents/?docid=49&public=true
Uniform Guidance – Cost Sharing

§ 200.306 Cost sharing or matching

• Voluntary committed cost sharing is not expected on federal research proposals.
• It cannot be used as a factor during the merit review, unless it is both in accordance with Federal awarding agency regulations and is specified in a notice of funding opportunity.
• Criteria for considering voluntary committed cost sharing must be explicitly described in the notice of funding opportunity.
Uniform Guidance – Cost Sharing

Cost sharing on federal awards must meet all of the following criteria:

✓ Verifiable from non-federal entity’s records
✓ Not included as contributions for any other federal award
✓ Are necessary and reasonable for accomplishment of the project or program objectives
✓ Are allowable under Sub-part E – Cost Principles
✓ Are not paid by Federal gov. under another Federal award, except where specifically authorized
✓ Provided in the approved budget when required by awarding agency
Uniform Guidance – Cost Sharing

Unrecovered indirect costs, including indirect costs on cost sharing, may be included as part of the cost sharing only with prior approval of the Federal awarding agency.
Third Party Cost Share

• Formal letters of commitment on letterhead from authorized official of the organization
• The department is responsible for monitoring, not central administration
• Who pays when the third parties fail to meet obligation?
  • The department becomes responsible for any short fall
Budgeting for Cost Share

- A detailed budget and justification is **required** for cost share, even if it’s not required by the sponsor
  - Can be incorporated into sponsor budget or a separate budget
Obtaining Cost Share

• Document cost share in writing
  • Email or letters are fine
  • Cayuse approval when routed with cost share

• Discuss specific amounts tied to specific items
  • GRA tuition (How many hours? Part time/full time? For how long?)

• Who is putting in how much?
  • Each contributor must supply an account number and breakdown of costs being covered
Program Income
What is Program Income?

- Gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award during the period of performance.
- Fiscal policy link FI0235
  - \[https://universitytennessee.policytech.com/docview/?docid=54&public=true\]
  - Uniform Guidance (CFR) Title 2
    - Part 200.80
    - Part 200.307 E
Budgeting for Program Income

If you collect...

• Membership fees
• Registration fees
• If you are charging for any services or items
Spending Program Income

• Program income revenue
  • Should be used before expenses are reimbursed by the sponsor.
  • Must be spent in accordance with the terms and conditions of the award.

• Expenses charged to the program income account must be:
  • Allowable
  • Allocable
  • Reasonable
  • Consistently treated
Program Income Types

• Addition - The program income amount is added to the funds committed to the project by the Federal awarding agency and recipient and used for the purposes and under the conditions of the federal award.

• Cost Sharing - Used to meet cost-sharing or matching requirements of the federal award.

• Deduction - Deducted from the total allowable cost to determine the net allowable costs.
Program Income Addition Example

• Added to funds committed to the project or program and used to further eligible project or program objectives
• A sponsor awards $100,000 for a project.
• The project generates an income of $10,000.
• The total amount available for project expenses would be $110,000.
• You would invoice the sponsor $100,000.
Program Income Cost Sharing Example

• Program Income is used to finance the non-federal share – cost sharing or matching requirements of the project
• Someone has to commit to cover these expenses in the event the program income generated does not cover the commitment.
• A sponsor awards $100,000 for a project. The project generates an income of $10,000.
• The University would use the $10,000 as the cost share.
• You would invoice the sponsor $100,000.
Program Income Deduction Example

• Deducted from the total allowable costs of the project to determine the net allowable costs on which the federal share of costs will be based.

• A sponsor awards $100,000 for a project. The project generates an income of $10,000.

• The program income must be used to off-set the award amount from the sponsor and reduces the total award amount to $90,000.

• Total costs of the project are $100,000 ($90,000 from the sponsored award and $10,000 from the program income earned).

• You would invoice the sponsor $90,000.
Awards

THE UNIVERSITY OF TENNESSEE
KNOXVILLE
BIG ORANGE. BIG IDEAS.
Reductions in proposed budget

- If the proposal budget gets reduced, the cost share amount will be adjusted accordingly.
- If the scope gets reduced, the program amount will be adjusted accordingly.
Verification of inclusion

• Was the proposed cost share included in the award? If not, are you still responsible for it? Depends!!!
  • The award may be silent on the Cost Share; however, the solicitation may have required it for proposals. In this case, yes, you are still responsible for it even if the award does not specify it because it was a stated requirement for proposal submission.
  • If the PI volunteers cost share in the proposal, unless the award states it is not required, the volunteered committed cost share must now be recorded because the PI committed to it in the proposal.
  • PI’s should be mindful that both UG and UT discourages the offer of cost share unless it is a requirement from the sponsor.
Account setup

• Generally, SPA will create a cost share companion WBSE; however, there may be other options to record costs in a sponsored project WBSE.
Monitoring and Reporting

Spending in proportion with the sponsor funds

• PI/Departments should create a budget based on predictions of how funds will need to be spent over the life of the project.

• Re-budget’s may not be necessary each time you over spend a category. Check with your SPA accountant or OSP coordinator.

• SPA will bill/draw funds based on the contractual requirements for charges placed on the accounts. In most cases, this is billed on a monthly basis.
Summary

• Have you....
  • Reviewed proposal for potential cost share/program income indicators?
  • Gathered the required cost share/program income documentation?
  • Prepared a budget for the cost share/program income using appropriate cost principles?
  • Confirmed cost share/program income was included in the award?
Want More? 😊

- Post Award Accounting Trainings are offered through UT’s Employee and Organizational Development Office that includes both Cost Sharing and Program Income topics.
- You can register at this link!
- [http://hr.tennessee.edu/training/](http://hr.tennessee.edu/training/)
Questions?

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