Brigham Young University
Cost Sharing Procedures

Grants & Contracts Accounting (GCA) tracks, records and reports cost sharing when required for
sponsored research awards. GCA works closely with the Office of Research and Creative Activities
(ORCA) and Principal Investigators (PI) to help ensure that cost sharing requirements are met. When
cost sharing is required but there is no specific information in the award that defines how cost share
should be met, GCA works with the PI on a plan for meeting the obligatory amount.

After ORCA completes negotiations and finalizes agreements on research projects, GCA is notified of
new awards. Each award is reviewed by GCA for cost sharing obligations. If necessary, GCA follows
up with ORCA and/or the PI to ensure that all cost sharing commitments are identified. For each project
that has cost sharing requirements, a file is created to track the amounts.

To qualify as cost sharing, expenditures must be:

- Verifiable through University records or 3rd party documentation
- Necessary, reasonable and allowable under the applicable cost principles
- Incurred during the same funding/budget period as the sponsored project
- Derived from non-federal sources

The most common types of cost sharing are (1) salaries of those involved in the research, (2) associated
benefits, and (3) unrecovered Facilities & Administrative (F&A) costs (with prior approval). These
costs, as well as other allowable cost shared amounts, are recorded in the research project tracking file.
The PI is responsible for identifying the expenses that benefit the sponsored project which are not
charged to the award, and are therefore cost shared items. Salary amounts are recorded based on
certified effort reports, which are completed three times per year, at the end of each 4-month semester
(spring/summer terms are combined into one report). Cost shared salary is calculated when the salary is
earned, not when it is paid (i.e., a ten month salary is earned from September to June, but is paid to the
employee over a 12 month period, from September to August). Fringe benefits are calculated using
salary and wage amounts and the appropriate fringe benefit rate. Unrecovered F&A costs are computed
by taking the difference between the F&A costs that the project should have recovered (calculated at the
appropriate negotiated rate), and the actual amount of F&A dollars recovered.

If a cost sharing commitment from a BYU subcontractor is required for an award, the subaward invoices
must include cost shared amounts. If it is not included on the invoice, GCA contacts the subcontractor
and requests the cost share information. When these subaward invoices are processed by GCA, updates
are made to the cost share tracking files.

The difference between the committed cost sharing and the current cost share identified and recorded is
reviewed regularly by GCA. If the projection of cost share fulfillment appears to be out of line with the
sponsored research award terms and end date, GCA informs the PI so necessary adjustments can be
made.

Cost share amounts are reported to the sponsor or pass-through entity, as stipulated in the research
agreement. For federal sponsors, cost share is reported each quarter or at the end of the project on the
SF 425 form. Cost share reports are also made available to sponsors upon request, review or audit.