

**POLICIES AND PROCEDURES FOR COST SHARING
ON SPONSORED PROGRAMS**

ISSUED BY:

OFFICE OF RESEARCH AND SPONSORED PROGRAMS
OFFICE OF THE UNIVERSITY CONTROLLER

January 3, 2000

January 3, 2000

TO: Provosts, Deans, Directors, Chairs, Principal Investigators and Business Managers

FROM: Bruce C. Fehn
University Controller

David A. Rumbo
Acting Director
Office of Research and Sponsored Programs

SUBJECT: Policies and Procedures for Cost Sharing on Sponsored Programs

As you may know, the University is either requested or required to share in the cost of many programs or projects sponsored by State and Federal agencies. In the past, these agencies generally accepted any and all forms of reported cost sharing. Unfortunately, this informal approach has changed along with the revision and refinement of government regulations. Cost sharing claims are now subject to the same rigorous accountability standards that apply to direct program or project costs.

Under new regulations, the University is required to substantiate, through adequate records, cost sharing expenditures for both direct and indirect (facilities and administrative) costs purposes. The records must show that the cost sharing expenditures are appropriate, necessary and incurred within the related project period. The records must also provide evidence that cost sharing expenditures incurred in a particular fiscal year are included in the development of the University's negotiated indirect (facilities and administrative) costs rate for that same fiscal year.

In order to document and capture this information, the University is implementing a new method of budgeting and accounting for cost sharing as specified in the attached policies and procedures. The new method will require the recording of cost sharing expenditures incurred under State and Federal sponsored programs in separately identified general ledger accounts. Separate cost sharing accounts will be required for state and non-state sources of cost sharing. When cost sharing is required on an award, the program or project budget will need to specifically identify the source of University funds that will be used to satisfy the cost sharing commitment. In this regard, a new budget template has been designed to assist principal investigators and business administrators develop "total" project costs budgets which include all funding sources.

The new method of budgeting and accounting for cost sharing will be applied prospectively, and is effective for all proposals submitted to the Office of Research and Sponsored Programs or the Office of Research on the Newark Campus after **January 31, 2000**. Immediate application of the new method is encouraged for existing programs or projects with significant cost sharing requirements.

Your efforts to comply with the new policies and procedures will be greatly appreciated. If you have any questions concerning cost sharing during the development of your proposals, please contact the Office of Research and Sponsored Programs at (732) 932-0150. If you have any questions concerning the new cost sharing accounting requirements, please contact the Division of Grant and Contract Accounting at (732) 932-0165. For similar questions on Newark Campus awards contact the Office of Research at (973) 353-1537 or the Newark Office of Grant and Contract Accounting at (973) 353-1335, respectively. This policies and procedures manual is also available on the web at <http://orsp.rutgers.edu/downloads/Costshare/costshare.pdf>

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**POLICIES AND PROCEDURES FOR COST SHARING
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1. Introduction

This manual contains the University's policies and procedures concerning cost sharing arrangements under State and Federal sponsored programs. These policies and procedures were developed to facilitate the efforts of the University's faculty and staff, and are designed to ensure that the University remains in compliance with State and Federal regulations governing cost sharing arrangements. If these policies and procedures are not followed, the University may not be able to recover the full amount of program or project costs that it expects to receive from State and Federal sponsors.

Briefly stated, the regulations require the University to substantiate, through adequate records, cost sharing expenditures for both direct and indirect (facilities and administrative) cost purposes. The records must show that direct cost sharing expenditures are appropriate, necessary and incurred within the related project period. The records must also provide evidence that the cost sharing expenditures incurred in a particular fiscal year are included in the development of the University's facilities and administrative costs rate for that same fiscal year.

This policies and procedures manual is intended primarily for use by Project Directors/Principal Investigators and departmental business personnel. However, Department Chairs, Deans or Directors and Provosts may also find it useful in assessing cost sharing commitments proposed by their faculty members. This policies and procedures manual is also available on the web at <http://orsp.rutgers.edu/downloads/Costshare/costshare.pdf>

2. Policy

In order to adequately budget, capture and document cost sharing expenditures required under State and Federal sponsored programs, the University will record cost sharing expenditures in separately identified general ledger accounts. Separate cost sharing accounts will be required for state and non-state sources of cost sharing under each sponsored program.

When cost sharing is required on an award, the program or project budget will need to specifically identify the source of University funds (i.e., the general ledger account numbers) that will be used to satisfy the cost sharing commitment. Spending will not be permitted on an award until all cost sharing resources are identified. In this regard, a new budget template has been designed to assist principal investigators and business administrators develop "total" project costs budgets which include all funding sources.

3. Terms, Definitions and Contacts

Cost Sharing - Under Office of Management and Budget (OMB) Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education and Other Non-Profit Organizations," the Federal government defines cost sharing as "that portion of project or program costs not borne by the Federal government." Similarly, most State of New Jersey (SNJ) agencies and departments follow the Federal rule, and define cost sharing in their grant and contract agreements as that portion of the project or program costs not borne by the State agency or department sponsoring the project or program.

Unfortunately, State and Federal sponsors do not always clearly define the cost sharing requirements that they expect under the programs or projects that they sponsor. For example, the institutional portion of a program or project budget may be an amount that is: (1) mandated separately by law or regulation; (2) stated in the program or project announcement; (3) solicited or suggested in the program or project announcement; or (4) offered unilaterally by the institution in response to a request for a project proposal. As a consequence, unless the sponsor explicitly states the cost sharing requirement in the award budget, it is often difficult for institutions to be certain as to the exact amount of cost sharing required when the final award is made.

In order to address this concern, the University will define, budget and account for cost sharing as the amount of program or project costs that the University and its partners, if any, will contribute to the sponsored program or project. This amount will be the larger of: (1) the amount of cost sharing specified by law or regulation; (2) the amount of cost sharing explicitly stated in the award contract or budget; or (3) the amount of cost sharing budgeted or stated in the project proposal, if the award contract or budget does not otherwise explicitly state the cost sharing requirement.

Matching - Matching is a term that is frequently used to describe a cost sharing requirement that is measured by a one-to-one or other significant proportional match of the primary sponsor's funding. The University will use the term cost sharing when referring to either cost sharing or matching.

F&A Costs - These are facilities and administrative costs incurred by the University in connection with the conduct of sponsored programs. These costs, which were formerly referred to as indirect costs or overhead by the Federal government, are recovered from sponsors through the application of the University's F&A costs rate.

PD/PI - The sponsored Project Director or Principal Investigator at the University.

ORSP - The Office of Research and Sponsored Programs located in the Administrative Services Building III, Cook Campus, 3 Rutgers Plaza, New Brunswick, NJ 08901. Telephone Number: (732) 932-0150.

NWK-OR - The Newark Campus Office of Research located in Blumenthal Hall, Room 206, Newark Campus. Telephone Number (973) 353-1538 or (973) 353-1539.

DGCA - The Division of Grant and Contract Accounting located in the Administrative Services Building III, 3 Rutgers Plaza, Cook Campus. Telephone Number: (732) 932-0165.

NWK-GCA - The Newark Campus Office of Grant and Contract Accounting, located in Blumenthal Hall, Room 206, Newark Campus. Telephone Number: (973) 353-1335.

OBM - The Office of Budget Management, Division of University Accounting, located in the Administrative Services Building, Room 304, Busch Campus, 65 Davidson Road, Piscataway, NJ 08854. Telephone Number (732) 445-4434.

Payroll Services - The Division of Payroll Services located in the Administrative Services Building, Room 317, Busch Campus, 65 Davidson Road, Piscataway, NJ 08854. Telephone Number (732) 445-3007.

4. Cost Sharing Resources

The Federal government specifies what types of project costs are acceptable for cost sharing purposes in Section .23 of OMB Circular A-21 (see Attachment 1). As a general rule, the following types of costs and expenditures are acceptable for cost sharing purposes on both State and Federal awards:

Salaries and Wages - Project support provided from salaries and wages (except for certain administrative and clerical salaries cited in Section 5) and the associated fringe benefits and F&A costs related to the project, but not charged to the sponsor. These project costs may have been initially charged to instruction and departmental research accounts, separately budgeted University research accounts and/or other designated and restricted accounts.

Other Direct Costs - Project support provided from other direct costs (except for certain administrative expenses cited in Section 5) and the associated F&A costs related to the project, but not charged to the sponsor. These project costs may also have been initially charged to instruction and departmental research accounts, separately budgeted University research accounts and/or other designated and restricted accounts.

Unrecovered F&A Costs - Project support provided from a waiver of the F&A costs that the University is otherwise entitled to recover from the sponsor. As a general rule, the University does not waive F&A costs for cost sharing purposes. However, the ORSP may consider such a request under extraordinary and compelling circumstances.

Other Sponsored Programs - Project support provided from related externally sponsored programs administered by the University. As a general rule, Federal funds received under one project cannot be used as cost sharing on another Federal project. Similarly, SNJ funds received under one project cannot be used as cost sharing on another SNJ project. However, a combination involving a Federal program and a State program is generally acceptable to governmental sponsors.

External Partners - Project support provided by external partners. This is sometimes referred to as third party in-kind cost sharing. Generally this takes the form of the partners donating the use of their facilities and/or employees for some project activity. External partners will need to document and report the value of their contributed services to the University in order for the University to report the cost sharing to the primary sponsor. The external partners should report the information to the University in the same format, cost categories and frequency that the University is required to report to the sponsor.

5. Proposal Considerations

General - As a general rule, since cost sharing typically involves an expenditure of the University's own scarce resources, it should only be offered in a proposal when it is mandated by law or regulation or specifically requested by the sponsor.¹

When the University is required to cost share, efforts should be made to satisfy the requirement from external funding sources before committing internal University resources. In order to avoid any misunderstanding among the parties involved, the cost sharing offer should always be stated conspicuously on the budget page of the proposal.

For-Profit, Foundation and Association Sponsors - Cost sharing should almost always be avoided with for-profit sponsors as the University could be construed as subsidizing them. Foundations and Associations should also be encouraged to pay for the full cost of the projects they choose to sponsor at the University.

Equipment - As a general rule, the cost of University funded equipment can not be offered as cost sharing since a portion of that cost will be charged indirectly to the sponsor through the application of the University's F&A costs rate. Similarly, even if F&A costs are waived under a cost sharing arrangement, the cost of University funded equipment can not be offered as cost sharing since a portion of the cost of the equipment will be included in the amount of the F&A costs waived. However, there are two exceptions to the general rule as follows:

1. The cost of equipment can be claimed as cost sharing if the equipment is acquired solely for the exclusive use on a project and the equipment will be considered fully depreciated by the end of the project period. Under this exception, the DGCA must be notified of the equipment cost sharing arrangement by memorandum (see Attachment 2) in order to properly exclude the item from the University's F&A costs rate calculations. Please note that under this exception, the project would have to be at least five years in duration since the University depreciates equipment, at a minimum, over a five year useful life.
2. The University may also claim as cost sharing that portion of the cost of equipment that it is required to pay under the terms of a specific equipment acquisition grant received from a Federal sponsor. Again, under this exception, the DGCA must be notified by memorandum (see Attachment 2) in order to properly exclude the item from the F&A costs rate calculations.

Administrative Expenses - Administrative expenditures (e.g., Dean's salaries, administrative and clerical salaries and wages, telephone services, office supplies, etc.) can not be offered as direct cost sharing on Federal and SNJ programs since a portion of those costs will be charged to the programs indirectly through the application of the University's F&A costs rate.

¹ Although some researchers may believe that this approach will place them at a competitive disadvantage, this may not be the case with Federal sponsors in the future. For example, the National Science Foundation (NSF), in response to this perception, recently issued a new cost sharing policy (NSB-99-90) which directs program managers to be more specific in stating their cost sharing expectations, and bars them from considering cost sharing offers in excess of those required by statute or specified in program announcements. Similarly, the National Science and Technology Council (NSTC) published a report on April 28, 1999, entitled, "Renewing the Federal Government-University Partnership for the 21st Century." The NSTC found that the partnership was sound but a number of areas were identified for improvement including cost sharing policies and practices. The NSTC stated that they would explore mechanisms by which agencies might more clearly and consistently communicate information to universities about their cost sharing policies, practices, and expectations, as well as how cost sharing will figure in their selection processes.

Approvals Required - The Departmental Chair and Dean or Director must approve all cost sharing offers included in the project proposals and budgets. This approval will be evidenced by their signature on the Endorsement of an Application for External Funding Form. For additional information in this regard, please refer to Item 20 on the Endorsement form and its related instructions.

Proposal Acceptance - Before an award is accepted, the ORSP or the NWK-OR, as appropriate, will review the cost sharing requirements set forth in the award document and confirm with the PD/PI that the cost sharing obligation can still be satisfied. If it cannot be satisfied, a new lower level of cost sharing must be negotiated and documented with the sponsor before work on the project begins.

6. State Cost Sharing Accounts

When cost sharing is provided from a state budget account, a state cost sharing account will need to be set up to accumulate the costs. State cost sharing accounts will be established by the DGCA or the NWK-GCA as appropriate. State cost sharing accounts, like regular grant and contract accounts, will be subject to semi-annual personnel activity (effort) certification.

Normally, only one state cost sharing account will be established for each sponsored program. The state cost sharing account will be assigned a number in the 2-2XXXX account series, and the last four digits of the state cost sharing account will match the last four digits of the related sponsored program account in the 4-2XXXX account series. Two state cost sharing accounts will be required, however, when the cost sharing is to be provided from General University (GU) resources (2-0XXXX account series) and from Agricultural Experiment Station (AES) resources (2-4XXXX account series). When required, the AES state cost sharing account will be established in the 2-215XX to 2-22XXX account series.

7. Non-State Cost Sharing Accounts

When cost sharing is provided from a non-state account, a non-state cost sharing account will need to be set up to accumulate the costs. Normally, only one non-state cost sharing account will be established for each sponsored program. The non-state cost sharing account will be established by the DGCA or NWK-GCA, as appropriate, and assigned a number in the 4-2XXXX account series. Non-state cost sharing accounts, like regular grant and contract accounts, will be subject to semi-annual personnel activity (effort) certification.

8. Recording Expenditures in State Cost Sharing Accounts

Funding for expenditures made from state cost sharing accounts will be provided by budget transfers from the state budget account(s) identified in the “total” project budget. Undoubtedly, the recording of cost sharing expenditures in separate state cost sharing accounts will require additional administrative efforts on the part of our faculty and staff. In order to mitigate this burden as much as possible, the following procedures have been developed to capture cost sharing expenditures in state cost sharing accounts:

Salaries - In order to eliminate the need for the completion of Personnel Data Records (PDR) and salary budget transfer requests, cost sharing salaries (subcodes 1200, 1260 and 1370) will be recorded semi-annually in cost sharing accounts using the attached Salary Reallocation Form For

State Budget Cost Sharing Transfers (Form SRF-CS, see Attachment 3). The University's payroll and budgeting systems will automatically prepare a salary budget transfer for subcodes 1200, 1260 and 1370 to cover the salary reallocation. The new form can be obtained from Payroll Services.

The reallocation will occur as of December 31 and May 31 for each fiscal year. For academic year appointments, the December reallocation will cover the period from September 1 through December 31, and the May reallocation will cover the period from January 1 through May 31. For calendar year appointments, the December allocation will cover the period from July 1 through December 31, and the May allocation will cover the period from January 1 through May 31, with a projection for June if necessary. In addition, it will be necessary to complete a salary reallocation form for the stub period occurring when a grant or contract expires on a date other than December 31 or May 31.

When calculating the amount of a salary reallocation, departments must be mindful of the fact that academic year appointments (9 months – September 1 through May 31) are usually paid over a 12-month period. As a consequence, a salary reallocation based simply on the payroll charges recorded in the general ledger during a particular period of time may not yield an accurate reallocation for academic year appointments. The salary actually paid during a particular period of time must be adjusted upward to give effect to the amount of salary paid outside the normal academic year appointment period. In order to assist departments with this calculation, a salary reallocation worksheet has been developed and is printed on the back of the SRF-CS (see Attachment 3).

The timely completion of these salary reallocation forms will be essential. Once the fiscal year is closed, the University will not be able to retroactively record cost sharing expenditures in state cost sharing accounts. Without this timely documentation, the cost sharing expenditure may not be allowed by the sponsor.

Wages and Non-Personnel Expenditures - Expenditures for allowable wages and non-personnel costs may be recorded directly in state cost sharing accounts provided a temporary budget adjustment (see Attachment 4) is processed to cover the cost of the expenditures. Temporary budget adjustments may be made from GU (2-0/2-1XXXX) and AES (2-4XXXX) accounts for all subcodes except 1200, 1210, 1220, 1260, 1370 and 1500. However, GU funds can not be transferred to AES state cost sharing accounts, and similarly, AES funds can not be transferred to GU state cost sharing accounts.

Budget adjustments need to be made by the academic unit involved, and then forwarded to the OBM for actual input into the accounting system. A temporary budget adjustment must be prepared each fiscal year in which cost sharing for a specific sponsored program is required. Please be advised, however, that unexpended funds transferred into these accounts will lapse at the close of the fiscal year consistent with any other state budget account.

Fringe Benefits - Fringe benefits will not be charged on salaries and wages recorded in state cost sharing accounts. However, when reporting cost sharing expenditures to the sponsor, the DGCA or NWK-GCA, as appropriate, will calculate and claim the fringe benefits costs associated with cost sharing salaries and wages.

Tuition Remission - Tuition remission benefits associated with state funded Graduate Assistants (GA) or Teaching Assistants (TA) will not be recorded directly in the state cost sharing accounts. However, when reporting cost sharing expenditures to the sponsor, the DGCA or the NWK-GCA, as appropriate, will determine and claim the tuition remission benefits associated the GA or TA working on the project. In this regard, the SRF-CS must indicate, in the space provided, whether the salary reallocation involves a GA or TA.

Facilities and Administrative Costs - Facilities and administrative costs will not be charged to state cost sharing accounts. However, when reporting cost sharing expenditures to the sponsor, the DGCA or NWK-GCA, as appropriate, will calculate and claim the F&A costs associated with the modified total direct costs recorded in the state cost sharing accounts.

9. Recording Expenditures in Non-State Cost Sharing Accounts

Funding for expenditures made from non-state cost sharing accounts (4-2XXXX) will be provided by transferring funds from the non-state departmental account(s) identified in the “total” project budget. The transfer will be made by journal entry (see Attachment 6) submitted by the department to the DGCA or NWK-GCA, as appropriate. The transfer could be from any departmental 10.5% F&ACR account, any departmental gift and grant account, any departmental corporate membership account (if allowable) or any non-state account that will allow the use of the funds to support the project. In addition, if the ORSP approves a special F&A costs return to support a specific project, the DGCA will transfer funds directly into an account established for this purpose. Funds transferred into non-state cost sharing accounts will not lapse at the close of the fiscal year.

Salaries and Wages - A Payroll Authorization Form (PAF), a PDR or a regular salary reallocation form, if necessary, must be used to record salaries and wages in non-state cost sharing accounts.

Fringe Benefits - Salaries and wages recorded in non-state cost sharing accounts will be charged fringe benefits.

Tuition Remission – Tuition remission benefits will be charged on GA or TA appointments to non-state cost sharing accounts.

Facilities and Administrative Costs - Facilities and administrative costs will not be charged to internally funded, non-state cost sharing accounts. However, when reporting cost sharing expenditures to the sponsor, the DGCA or NWK-GCA, as appropriate, will calculate and claim the F&A costs associated with the modified total direct costs recorded in the internally funded, non-state cost sharing account.

10. Reporting Cost Sharing

Interim Reporting - Interim reporting of project costs, including cost sharing, will be handled by the DGCA or NWK-GCA, as appropriate, in accordance with the requirements of the project sponsor. The DGCA or NWK-GCA, as appropriate, will report the costs contained in the cost sharing accounts as well as the associated fringe benefits and F&A costs through the reporting date. If the interim reports reveal a potentially significant shortfall in the amount budgeted for

cost sharing, the PD/PI may be requested to provide an explanation and corrective action plan to the project sponsor.

Final Reporting - All program costs need to be finalized and recorded in the appropriate project and cost sharing account(s) thirty (30) days prior to the due date of the final fiscal report. Since most agencies require the final reports within ninety (90) days of the project end date, this requirement will generally give departments sixty (60) days to finalize charges and the DGCA or NWK-GCA, as appropriate, thirty (30) days to complete the fringe benefits and F&A costs calculations on cost sharing accounts, and then prepare and submit the final fiscal reports.

11. Sponsored Programs Budget Template

Purpose - In order to assist principal investigators and business administrators budget and account for cost sharing resources, the University has designed a new budget template (see Attachment 5) for the development of sponsored program budgets. The budget template, which is based on an Excel spreadsheet, is structured to develop a “total” project costs budget by providing budgetary columns for external and internal funding sources. In addition, the budget template provides standardized expenditure categories by subcode for budgetary and reporting purposes. Finally, the budget template performs various arithmetic functions to calculate fringe benefits and F&A costs as well as sum columns and rows.

Availability - A copy of the budget template can be obtained from the ORSP in either disk format or downloaded from the web at <http://orsp.rutgers.edu/downloads/Costshare/costshare.pdf>. The budget template includes a set of instructions noted on page one of the worksheet. A new budget template will be created annually to reflect any changes in the University’s fringe benefits and F&A costs rates.

Modifications - As a protected Excel worksheet, the budget template is intended to be used in its standard format. However, the template can be unprotected and then modified when necessary. For example, most awards will not require all of the subcodes included on the template; accordingly, the subcodes that are not applicable can be eliminated to reduce the length and complexity of the final budget document. The budget template could also be modified to satisfy other budgetary reporting requirements established by sponsors or other concerned parties.

FEDERAL COST SHARING REGULATIONS

General Provisions - The Federal government sets forth its cost sharing policy in Section .23, “Cost Sharing or Matching,” of OMB Circular A-110. The most applicable provisions of this section are reproduced below.

- “(a) all contributions, including cash and third party in-kind, shall be accepted as part of the recipient’s cost sharing or matching when such contributions meet all of the following criteria.
- (1) Are verifiable from the recipient’s records.
 - (2) Are not included as contributions for any other federally-assisted project or program.
 - (3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
 - (4) Are allowable under the applicable cost principles (*see Federal OMB Circular A-21*).
 - (5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
 - (6) Are provided for in the approved budget when required by the Federal awarding agency.
 - (7) Conform to other provisions of this Circular (*A-110*), as applicable.
- (b) Unrecovered F&A costs may be included as part of cost sharing or matching only with the prior (*written*) approval of the Federal awarding agency.
- (c) Values for recipient contributions of services and property shall be established in accordance with the applicable cost principles...
- (d) Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program or project...
- (e) When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee’s regular rate of pay (plus an amount of fringe

benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

- (f) Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.
- (g) The method used for determining cost sharing or matching for donated equipment, buildings and land for which title passes to the recipient may differ accordingly to the purpose of the award...
- (h) The value of donated property shall be determined in accordance with the usual accounting policies of the recipient..."

Unallowable Costs - Based on Section .23 of OMB Circular A-110, the following expenses cannot be claimed as direct cost sharing expenditures and, therefore, must not be charged to cost sharing accounts:

1. Unallowable expenses as specified in OMB Circular A-21, "Cost Principles for Educational Institutions." For example, the cost of alcoholic beverages, alumni activities, entertainment, fund raising or development, and lobbying are among some of the costs specifically identified as unallowable under OMB Circular A-21.
2. Administrative and clerical salaries, office supplies, membership fees and postage expense that must be classified as part of F&A costs per OMB Circular A-21.
3. Salaries in excess of that allowed by sponsoring agencies (e.g., the National Institutes of Health salary cap of \$161,200 per annum, effective January 1).

EQUIPMENT COST SHARING MEMORANDUM

Date:

TO: Manager, Cost Studies
Division of Grant and Contract Accounting
Room 309, ASB, Busch Campus

FROM:

SUBJECT: Equipment Cost Sharing

Please be advised that the (describe the equipment items here) to be purchased on purchase requisition number _____ dated _____ in the amount of \$ _____ is part of our cost sharing for grant account number 4-2XXXX. Please exclude the cost of this equipment from the development of the University's facilities and administrative cost rate.

Signature - Project Director/Principal Investigator

cc: Property Management
Bldg. 4088, Livingston Campus

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
SALARY REALLOCATION FORM FOR STATE BUDGET COST SHARING TRANSFERS**

Purpose: This form is used to transfer salaries (sub codes 1200, 1260 and 1370) paid during the current fiscal year from state budget accounts to state budget cost sharing accounts as required under the terms of a sponsored program or project. This form is not to be used to record any other type of salary reallocation. The completed form is to be sent to the Division of Payroll Services, Room 317, Administrative Services Building, Busch Campus. Specific instructions for the completion of this form are printed on the opposite side.

LINE	TRANSACTION	SOCIAL SECURITY NUMBER	FROM ACCOUNT NUMBER (CREDIT)	POS #	INITIALS	AMOUNT	TO ACCOUNT NUMBER (DEBIT)	POS #	INITIALS	AMOUNT	EMPLOYEE NAME LAST NAME, FIRST INITIAL
1	R										
2	R										
3	R										
4	R										
5	R										

LINE	GATA INDICATOR	REPORTING PERIOD	DAYS WORKED	DAILY SALARY	TOTAL REALLOCATION
1					
2					
3					
4					
5					

ORIGINATING DEPT. _____ PREPARED BY (PRINT NAME) _____ AUTHORIZED SIGNATURE _____	REALLOCATION AUTHORIZATION DATE _____ EXT _____ DATE _____ EXT _____
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INSTRUCTIONS FOR COMPLETING SALARY REALLOCATION FORM FOR STATE BUDGET COST SHARING TRANSFERS

- Social Security Number** Enter the employees Social Security Number.
From Account Number Enter the account that was originally charged with the salary expense and will now be credited.
Position Number (Pos #) Enter the position number appropriate to the original charge (see the chart below).
Initials (Initl) **This field is for Grant Accounting use only. Do not make any entry in this field.**
Amount Enter the salary amount you want to reallocate.
- To Account Number** Enter the account that you are reallocating salary expense to (debiting).
Position Number (Pos #) Enter the position number appropriate to the new account to be charged (see the chart below).
Initials (Initl) **This field is for Grant Accounting use only. Do not make any entry in this field.**
Amount Enter the salary amount you want to reallocate (must be identical to the "from" amount)
Employee Name Enter the name of the employee (last name first, followed by first name) you are reallocating salary for.
- Reallocation Details** Indicate with an "X" whether the employee is a GA/TA. Indicate the time period covered by the salary reallocation, e.g., July 1 - December 31, 1999. Enter the number of days the employee worked on the project during the period indicated. Enter the daily salary of the employee, then calculate and enter the total amount of the salary reallocation.

Position Number (Pos #) associated with sub codes 1200, 1260 and 1370

<u>Sub Code</u>	<u>Pos #</u>	
1200	001-799 926-968	The current Pos # for an employee is also listed on the employees Personnel Data Record (PDR) on the C4 or C5 line and may also be found on your department's budget report.
1260	800-899	
1370	900-925	

SALARY REALLOCATION WORKSHEET FOR ACADEMIC YEAR APPOINTMENTS

1. Calculate the Daily Rate of Salary:

Example

$$\frac{\text{Regular Appointment Annual Salary}}{195 \text{ workdays (9 months)}} = \text{Daily Salary} \quad \$ \frac{75000}{195} = \$ 384.62$$

2. Determine the Number of Days Worked on the Project During the Appropriate Reporting Period:

Days Worked September 1 through December 31 16 days

Days Worked January 1 through May 31 N/A days

3. Calculate the Amount of the Salary Reallocation:

$$\text{Daily Salary (No. 1)} \times \text{Days Worked (No. 2)} = \text{Salary Reallocation} \quad \$384.62 \times 16 = \$6,153.85$$

1. Calculate the Daily Rate of Salary:

Worksheet

$$\frac{\text{Regular Appointment Annual Salary}}{195 \text{ workdays (9 months)}} = \text{Daily Salary} \quad \$ \frac{\quad}{195} = \$ \quad$$

2. Determine the Number of Days Worked on the Project During the Appropriate Reporting Period:

Days Worked September 1 through December 31 days

Days Worked January 1 through May 31 days

3. Calculate the Amount of the Salary Reallocation:

$$\text{Daily Salary (No. 1)} \times \text{Days Worked (No. 2)} = \text{Salary Reallocation} \quad \$ \quad$$

RUTGERS, THE STATE UNIVERSITY
REQUEST FOR BUDGET TRANSFER

SEE LINE AD _____

FOR OBM USE ONLY													
11	12	19	20	21	22	41	42	54	55	56	57	58	59
2	1					A	D						
ENTRY CODE		MONTH DAY				REFERENCE CODE							

Page 1 of 1

To: Office of Budget Management

From: _____

Account No. _____

Telephone Extension _____

Subject:

Circle One: Permanent Temporary

Reason for Request:

ACCOUNT CODE	OBJECT CODE	DECREASE		INCREASE	
1 - 6	7 - 10	43 - 52	53	43 - 52	53
			C		D

BA# _____ OBM# _____

Signed _____ Date _____
 Department Head

Approved _____ Date _____
 Dean, Director or Other
 Approval Authority

_____ Date _____
 Office of Budget Management
 Approval

Instructions: Request for transfers may be made
 for all objects except 1200, 1210, 1260, 1370 and 1500

CC:

Rutgers, The State University of New Jersey
Sponsored Programs Budget Template

Fiscal Year: 2000

Proposal Title:
Log #:

Version #: 1
Date: 12/15/99

Facilities & Administrative Costs Rate & Base:

Description	Enter Rate Code	Rate:	Enter Base Code	Base:
Sponsor Funding	1	56.00%	1	0
State Account Cost Sharing	1	56.00%	1	0
Non-State Cost Sharing	1	56.00%	1	0

Budget Detail:

Sub-code	Expense Classification	Requested Funding From Sponsor	Cross Reference To Proposal	Cost Sharing From State Accounts	Cost Sharing From Non-State Accounts	Total Budget
1200*	Salaries - Regular Employees	0		0	0	0
1210*	Co-Adjutant Salaries	0		0	0	0
1220*	Post-Doctoral Fellows	0		0	0	0
1230*	Wages of Labor	0		0	0	0
1250*	Student Wages	0		0	0	0
1290*	Other Compensation	0		0	0	0
1330*	Summer Employment - 10 month	0		0	0	0
1350*	Faculty Summer Compensation	0		0	0	0
1370*	Post-Doctoral Associates	0		0	0	0
1500*	Graduate/Teaching Assistants	0		0	0	0
	A Total Salaries & Wages	0		0	0	0
1710*	B Fringe Benefits (See Note 1)	0		0	0	0
2100*	Supplies - Other	0		0	0	0
2120*	Computer Supplies	0		0	0	0
2140*	Educational Supplies	0		0	0	0
2150*	Chemical & Laboratory Supplies	0		0	0	0
2160*	Office Supplies - DGCA	0		0	0	0
2180*	Computer Software	0		0	0	0
2190*	Project Supplies - DGCA	0		0	0	0
2240*	Equipment Less than \$1,000 per uni	0		0	0	0
2290*	Supplies - Animals	0		0	0	0
	C Total Supplies	0		0	0	0
3100*	Other Services	0		0	0	0
3110*	Prof. Services - Consultants	0		0	0	0
3120*	Educ. Services - Honoraria	0		0	0	0
3130*	Royalties	0		0	0	0
3140*	Human Subject Fees - DGCA	0		0	0	0

Sub-code	Expense Classification	Requested Funding		Cross Reference	Cost Sharing From State Accounts	Cost Sharing From Non-State Accounts	Total Budget	
		Enter Amounts in Whole \$ only	From Sponsor					
3160*	Computer Services	0	0		0	0	0	
3170*	Publication Services	0	0		0	0	0	
3180*	Editorial Services	0	0		0	0	0	
3200*	Copying Costs - DGCA	0	0		0	0	0	
3720*	Professional Services - NRA							
3730*	Honoraria - NRA							
	D Total Services	0	0		0	0	0	
		For Actual Use Only - For Budget Purposes Use Subcode 3110*						
		For Actual Use Only - For Budget Purposes Use Subcode 3120*						
3510*	Travel - Recruitment - DGCA	0	0		0	0	0	
3520*	Travel - Domestic - DGCA	0	0		0	0	0	
3530*	Travel - Foreign - DGCA	0	0		0	0	0	
3540*	Travel - Consultant - DGCA	0	0		0	0	0	
3590*	Conference Registrations	0	0		0	0	0	
	E Total Travel	0	0		0	0	0	
3010*	Telephone - Installation	0	0		0	0	0	
3020*	Telephone - Line & Other	0	0		0	0	0	
3040*	Telephone - Long Distance	0	0		0	0	0	
3060*	Subscriptions	0	0		0	0	0	
3070*	Advertising	0	0		0	0	0	
3080*	Memberships	0	0		0	0	0	
3210*	Postage & Messengers	0	0		0	0	0	
3240*	Business Meeting Expenses	0	0		0	0	0	
3250*	Conference Expenses	0	0		0	0	0	
3260*	Recharge Centers - DGCA	0	0		0	0	0	
3290*	Animal Care Per Diem	0	0		0	0	0	
3700*	First \$25,000 of Subcontract Expens	0	0		0	0	0	
	F Total Other MTDC	0	0		0	0	0	
	G Total MTDC (Sum of A to F)	0	0		0	0	0	
3400	Rent - Buildings & Grounds	0	0		0	0	0	
3410	Rent - Equipment	0	0		0	0	0	
3450	Rent - Other	0	0		0	0	0	
	H Total Rent	0	0		0	0	0	
3610	Participant Support - Travel	0	0		0	0	0	
3630	Participant Support - Stipend	0	0		0	0	0	
3640	Participant Support - Tuition & Fees	0	0		0	0	0	
3650	Participant Support - Housing	0	0		0	0	0	
3670	Participant Support - Other	0	0		0	0	0	
	I Total Participant Support	0	0		0	0	0	
4050	Repair & Maint. - Bldg & Grounds	0	0		0	0	0	
4100	Repair & Maint - Equipment	0	0		0	0	0	

Sub-code	Expense Classification	Enter Amounts in Whole \$ only	Requested Funding From Sponsor	Cross Reference To Proposal	Cost Sharing From State Accounts	Cost Sharing From Non-State Accounts	Total Budget
4150	Repair & Maint - Computers	0	0		0	0	0
4200	Repair & Maint - Vehicles	0	0		0	0	0
	J Total Repair & Maintenance		0		0	0	0
7050	Additions/Improve - Bldg & Grounds	0	0		0	0	0
7260	Equip \$1,000 or More per unit - DGC	0	0		0	0	0
	K Total Add/Improve & Equip		0		0	0	0
8200	Student Aid Out-of-State Tuition	0	0		0	0	0
8210	Student Aid In-State Tuition			For Actual Use Only - For Budget Purposes Use Subcode 8200			
8220	Staff Benefits Out-of-State Tuition	0	0		0	0	0
8230	Staff Benefits In-State Tuition			For Actual Use Only - For Budget Purposes Use Subcode 8220			
8450	Training Grants - Stipends	0	0		0	0	0
8470	Training Grants - Travel	0	0		0	0	0
	L Total Student Related		0		0	0	0
3050	Insurance	0	0		0	0	0
3230	Post-Doctoral Insurance	0	0		0	0	0
3710	Subcontract Expense over \$25,000	0	0		0	0	0
8250	General Administration	0	0		0	0	0
8810	Expense Recovery - General	0	0		0	0	0
8990	Expense Rec - Recharge Centers	0	0		0	0	0
	M Total Other Non-MTDC		0		0	0	0
	Total Direct Costs - TDC		0		0	0	0
8800	N Facilities & Administrative Costs		0		0	0	0
	TOTAL PROJECT COSTS		0		0	0	0
	(SUM G to N)		0		0	0	0

Sub-code	Expense Classification Enter Amounts in Whole \$ only	Requested Funding From Sponsor	Cross Reference To Proposal	Cost Sharing From State Accounts	Cost Sharing From Non-State Accounts	Total Budget
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1 Specify here the University source accounts and amounts for the cost sharing listed above. Totals here should equal the Total Project Costs line in the budget directly above.

State Account #s	Cost Sharing \$	Cost Sharing \$	Non-State Account #s
2-enter account #	0	0	enter account #
2-enter account #	0	0	enter account #
2-enter account #	0	0	enter account #
Total	0	0	Total

2 If there is any non-University source cost sharing, attach an explanation and/or documentation. Do not include in the above budget.

3 Signatures/Approvals:

Dean/Director: _____ Date: _____

If Required: _____ Date: _____

QRSP Approval _____

Fringe Benefits:

Fringe benefits are calculated by multiplying a composite fringe benefit rate by the salary and wages charged to a particular subcode. The rates for fiscal year 1998 are listed below and are reflected in the above subcode listing. Future rate changes will be published by the Office of the University Controller and reflected in the definition of the individual salary accounts in the above listing. Below is a summary of your fringe benefits by Salary Subcode. Amounts will calculate automatically as information is entered in the main template above.

Sub-code	Description	Requested Funding From Sponsor	Rate	Cost Sharing From State Accounts	Cost Sharing From Non-State Accounts	Total Fringe Benefits
1200*	Salaries - Regular Employees	0	24.00%	0	0	0
1210*	Co-Adjutant Salaries	0	9.00%	0	0	0
1220*	Post-Doctoral Fellows	0	0.00%	0	0	0
1230*	Wages of Labor	0	9.00%	0	0	0
1250*	Student Wages	0	7.50%	0	0	0
1290*	Other Compensation	0	7.50%	0	0	0
1330*	Summer Employment/10 month	0	7.50%	0	0	0
1350*	Faculty Summer Compensation	0	0.00%	0	0	0
1370*	Post-Doctoral Associates	0	16.50%	0	0	0
1500*	Graduate/Teaching Assistants	0	16.50%	0	0	0
1710*	B Fringe Benefits (See Note 1)	0		0	0	0

SPONSORED PROGRAM BUDGET TEMPLATE – INSTRUCTIONS**General:**

The Budget Template is meant to provide a user friendly way to develop a budget. It is also meant to standardize the way budgets are developed at Rutgers. This is critical in complying with the Federal Cost Accounting Standards. The subcodes included in this template are the only subcodes that will be allowed for award proposals. For a complete description of what is chargeable to a subcode, contact your departmental personnel or visit our website at <http://postaward.rutgers.edu/>. While the Budget Template should be used with all new proposals, it does not replace sponsor required forms. The column “Cross Reference to Proposal” is an optional alpha-numeric field provided to help group/reference items for a sponsor required form. The cells with a red triangle in the upper right corner provide instructions and/or definitions. Information should be entered only in blue cells or where the word “enter...” appears.

Instructions:**Step 1 - General Information**

Enter the Proposal/Award Title and Log # where specified. The Version # field should be updated for each new version. This will allow a reader holding several versions of a budget to ascertain which is the most recent/current version. The date field automatically enters the current date. This can be automatically overridden by simply typing in that cell.

Step 2 – Facilities & Administrative Costs Rate & Base

As specified, enter the appropriate rate code and base code. The list of these codes will appear when your mouse enters the cell where a right triangle is located in the upper right corner. Please note: Rate and base codes are set up for the most common cases. When the rate or base code is not on the list, choose other and enter alternative rate or base amount as specified.

Step 3 – Enter Expenses

In the applicable column - - Requested Funding from Sponsor, Cost Sharing from State Accounts or Cost Sharing from Non-State Accounts - - enter the expenses next to the applicable subcodes. Any expenses entered on shaded lines (such as subcode 2160) must be separately budgeted and justified in the budget narrative that is submitted to/approved by the project’s sponsor. Fringe benefits, Facilities & Administrative Costs and all totals will automatically calculate. A summary of salaries and fringe benefits by subcode is automatically provided at the bottom of the template.

Step 4 – Final Requirements

In Item 1 at the bottom of the budget template, cost sharing account numbers must be provided for any budgets, which include cost sharing. Budget Template should be forwarded to ORSP in hard copy form with any required signatures.

JOURNAL ENTRY INSTRUCTIONS FOR TRANSFERRING FUNDS OR EXPENSES TO A NON-STATE COST SHARING ACCOUNT

As a general rule, funding for non-state cost sharing accounts can be provided from four types of accounts: Designated, Restricted Research, Restricted Gift and Endowment Operating accounts. The example journal entries included in Attachment 6 indicate how the actual transfers should be recorded for each type of account.

A fifth example is included to illustrate how to transfer expenses to a cost sharing account when the expenses were incurred prior to the establishment of the cost sharing account. These expenses could have been initially charged to a Designated, Restricted Research, Restricted Gift or Endowment Operating account.

While specific account numbers are used in these examples, they are illustrative only. Please use your own Department's account numbers as appropriate.

Example 1 – Designated Fund Account

The source account can be any Designated account that will allow the transfer of funds to provide the cost sharing. The source account subcode must be 6920. The receiving account must be the corresponding general ledger account for the non-state cost sharing account. It will always start with 0-2 and the last four digits will be the same as the last four digits of the non-state cost sharing account. The subcode must be 4710.

Example 2 – Restricted Research Fund Account

The source account can be any Restricted Research account that will allow the transfer of funds to provide the cost sharing, e.g., a grant-in-aid, gift or membership account. The source account subcode must be 5720. The receiving account must be the corresponding general ledger account for the non-state cost sharing account. It will always start with 0-2 and the last four digits will be the same as the last four digits of the non-state cost sharing account. The subcode must be 4720.

Example 3 – Restricted Gift Fund Account

The source account can be any Restricted Gift account that will allow the transfer of funds to provide the cost sharing, e.g., a departmental gift account. The source account subcode must be 5720. The receiving account must be the corresponding general ledger account for the non-state cost sharing account. It will always start with 0-2 and the last four digits will be the same as the last four digits of the non-state cost sharing account. The subcode must be 4730.

Example 4 – Endowment Operating Fund Account

The source account can be any Endowment Operating account that will allow the transfer of funds to provide the cost sharing. The source account subcode must be 5720. The receiving account must be the corresponding general ledger account for the non-state cost sharing account. It will always start with 0-2 and the last four digits will be the same as the last four digits of the non-state cost sharing account. The subcode must be 4740.

Example 5 – Transferring Expenses To A Non-State Cost Sharing Account

The debit(s) must always be to the non-state cost sharing account. The credit(s) must always be to the source account where the expenses were initially charged. Generally, the subcodes used for both the debit and the credit should be the same as the subcodes used to initially accumulate the expenses. Occasionally, however, it may be necessary to reclassify subcode credits to non-state cost sharing accounts in order to conform to the budget classifications established for the underlying sponsored programs. If you have questions in this regard, please consult the appropriate accountant that is responsible for the account.

The explanation of the journal entry should always include a way to identify the specific expenses being transferred. Example 5 uses a voucher number reference that is useful for single expense transfers. When transferring bulk expenses an attachment to the journal entry identifying the expenses would be appropriate. This information is needed to document that the expenses are appropriate to the award and have occurred during the award period.

ACCOUNT DESCRIPTION	ACCOUNT CODE	P/F	A/R NO.	DEBIT	CREDIT
Example 1					
Designated Fund Account Cost Sharing Account	2-89580-6920 0-24420-4710			25,000.00	25,000.00
To transfer non-state cost sharing funds required under the terms of an externally sponsored program.					
Example 2					
Restricted Research Fund Account Cost Sharing Account	0-29986-5720 0-24420-4720			25,000.00	25,000.00
To transfer non-state cost sharing funds required under the terms of an externally sponsored program.					
Example 3					
Restricted Gift Fund Account Cost Sharing Account	0-39403-5720 0-24420-4730			25,000.00	25,000.00
To transfer non-state cost sharing funds required under the terms of an externally sponsored program.					
Example 4					
Endowment Operating Fund Account Cost Sharing Account	0-41433-5720 0-24420-4740			25,000.00	25,000.00
To transfer non-state cost sharing funds required under the terms of an externally sponsored program.					
Example 5					
Cost Sharing Account Designated Account with Expenses	4-24420-2100 2-89500-2100			425.00	425.00
To transfer cost sharing expenses recorded in designated account to appropriate cost sharing account as required under the terms of an externally sponsored program. Reference VN 435798.					

RUTGERS, THE STATE UNIVERSITY

JOURNAL VOUCHER

DATE

Date
By (Type Name)
Signature of Originator
Approval Signature

JE NUMBER

COST SHARING CHECKLIST FOR PRINCIPAL INVESTIGATORS

1. In the course of preparing a proposal for a grant or contract:
 - a. Review the Cost Sharing Policy and Procedure booklet.
 - b. Determine from the ORSP or the OR-NWK, as appropriate, if there are any cost sharing requirements for the award.
 - c. Determine if cost sharing will be offered unilaterally by the department. If so, determine the amounts, the source accounts and subcodes for the cost sharing. Get any necessary departmental approvals for the cost sharing.
2. Incorporate the cost sharing requirements identified above into the Budget Template (see Attachment 5) which is sent to the ORSP or the OR-NWK, as appropriate, before the award is set up.
3. Upon receipt of the award, review all cost sharing obligations in light of your workload and any sponsor adjustments to the award amount. If you can not provide the level of cost sharing envisioned in the proposal, contact ORSP or OR-NWK, as appropriate, and renegotiate with the sponsor what you are willing to commit to the award. Get any modification in writing from the sponsor. Keep your business manager/office informed of any changes.
4. Work with your business manager/office to properly fund all cost sharing before starting work on the project. Keep in mind that on state funded cost sharing accounts, all unexpended funds will lapse at the end of the fiscal year consistent with any other state budget account.
5. Make sure the necessary payroll changes to charge payroll for the non-state cost sharing accounts are initiated, i.e., PAFs, PDRs, or salary reallocation forms, if necessary.
6. Make certain that salary reallocation forms for state budget cost sharing transfers (Form SRF-CS) are submitted for the periods ended December 31, May 31 and applicable stub period.
7. Periodically during the period of the award check your cost sharing accounts to see that the cost sharing is being accumulated properly. For external partner cost sharing, make sure that your external partner is reporting it's cost sharing in a timely manner and in the proper format.
8. Complete all Personnel Activity Certification (PACE) Reports (effort certification) in a timely and accurate manner as required during the period of the award.

9. At the close of the award, review and finalize the cost sharing reported with your business office. This should be done so that the final numbers can be reported to DGCA or NWK-GCA, as appropriate, thirty (30) days prior to the final financial report due date.

COST SHARING CHECKLIST FOR DEPARTMENTAL ADMINISTRATORS

1. Review the Cost Sharing Policy and Procedure booklet.
2. Identify and quantify all cost sharing required and offered in a proposal.
3. Determine or verify the availability of all cost sharing required and offered in a proposal or award.
4. Incorporate the cost sharing requirements identified above into the Budget Template (see Attachment 5), which is submitted to the ORSP or the OR-NWK, as appropriate, before the award is set up.
5. Upon receipt of the award, review all cost sharing obligations. Confirm with the PD/PI that we can provide the amount of cost sharing envisioned. If there is to be any modification in the amount of cost sharing, make sure it has been requested in writing from the sponsor. Reconfirm the availability of the cost sharing. Keep the Supervisor informed of any changes in the cost sharing obligations.
6. Once the amount, source and availability of the cost sharing has been resolved and the DCGA or NWK-GCA, as appropriate, has notified you of the award account number and any state or non-state cost sharing accounts that have been set up, prepare the necessary paperwork to fund the cost sharing accounts. This would include the following:

a. State cost sharing account(s).

General - Funding for expenditures from state cost sharing accounts (2-2XXXX) will be provided from General University (GU) accounts (2-0XXXX and 2-1XXXX) and from Agricultural Experiment Station (AES) accounts (2-4XXXX). No transfer of GU funds, however, can be made to state cost sharing accounts with AES parent accounts, and no transfers of AES funds can be made to state cost sharing accounts with GU parent accounts.

Salaries - Complete the salary reallocation form for state budget cost sharing transfers (Form SRF-CS) for the periods ending December 31, May 31, and applicable stub period. The reallocation requires effort certification, and the form must be sent to the Division of Payroll Services for processing. The payroll and budget systems will automatically prepare a salary budget transfer to cover the salary reallocation.

Wages and Non-Personnel Expenditures - Complete a Request For Budget Transfer Form (See Attachment 4) to transfer funds from the GU or AES source

Attachment 8

account(s) to the assigned 2-2XXXX account(s). The completed form must be sent to the OBM. This form initiates a temporary budget adjustment that is good only for the current fiscal year. If necessary for the next and any succeeding fiscal years, submit additional Budget Transfer Form(s) for each fiscal year when required.

b. Non-State cost sharing account(s).

Funding for expenditures from non-state cost sharing accounts will be provided by transferring funds from designated non-state departmental accounts indicated on the budget template or subsequently determined departmental accounts. These accounts could include any departmental 10.5% F&ACR account, any departmental gift and grant account, any departmental corporate membership account (if allowable) or any non-state account that will allow the use of the funds to support the project. In addition, if the ORSP approved a special F&A cost return to support a specific project, the DGCA will transfer funds directly into an account established for that purpose.

Prepare a journal entry to transfer the funds. The journal entry should be routed to the DGCA or the NWK-GCA, as appropriate, which will review and have the entry properly entered into the general ledger system.

Payroll Reallocation - As the journal entry is completed, if the individuals who are performing the cost sharing are identified, complete the appropriate PAF, PDR or salary reallocation form, if necessary, to charge their salaries to the cost sharing account(s).

7. Periodically during the period of the award check your cost sharing accounts to see that the cost sharing is being accumulated properly. For external partner cost sharing, make sure that the external partner is reporting its cost sharing in a timely manner and in the proper format.
8. Make sure all Personnel Activity Certification (PACE) Reports (effort certification) are completed in a timely and accurate manner as required for the activity under the award.
9. At the close of the award, review and finalize the cost sharing reported with the PD/PI. This should be done so that the final numbers can be reported to the DGCA or NWK-GCA, as appropriate, thirty (30) days prior to the final financial report due date. Upon termination, the cost sharing accounts will be formally closed.