



COST SHARING FOR SPONSORED PROGRAMS POLICY AND PROCEDURE

OPERATING | 500.512

Last Evaluation

01/16/2025

Executive Staff Approval

02/24/2025

Board Approval

03/20/2025

1. Policy and Procedure Purpose

Mountainland Technical College (MTECH) may provide resources in a cost-sharing arrangement to support sponsored programs (e.g., grant, contract, cooperative agreement, etc.). This document establishes a process to ensure that all cost sharing is proposed, approved, administered, and accounted for appropriately.

2. Definitions

Allocable Cost - A cost for which the benefit to a sponsored program is verifiable and supported by documentation.

Allowable Cost - A cost charged to a sponsored program that, under federal regulation or sponsor requirement, is considered reasonable, allocable, and consistently treated.

Cost Share(ing) - The portion of the sponsored program's costs that the college contains, not the sponsoring organization.

Direct Cost - A cost that directly benefits and is specifically associated with a sponsored program.

Employee - A person whose salary, wages, pay, or compensation is paid from college-managed funds provided by the State of Utah.

Indirect Cost - A cost incurred to support a program that does not directly benefit, and is not explicitly associated with, a sponsored program.

Sponsored Program - An ongoing program to support scholarly activities, programs of service, or projects utilizing contracts, grants, cooperative agreements, gifts, funds, materials, other forms of compensation, or exchanges of in-kind items or efforts.

Sponsoring Organization - An external organization that provides or awards sponsored programs.

Time and Effort - Compensated time and effort spent (expressed as a percentage) by an individual working on a sponsored program. It must be certified that the wages and benefits paid (or the commitment) are reasonable in relation to the effort (activity) devoted to the award.

3. References

Utah Board of Higher Education (UBHE) Policy R532 *Acceptance and Approval of Contracts and Grants*

MTECH 500.513 *Time and Effort Policy and Procedure*

MTECH 500.581 *Purchasing Thresholds and Limits Policy*

4. Policy

- 4.1 MTECH provides cost sharing only when required by sponsored program guidelines or when delineated in a specific program.
- 4.2 Cost sharing must be approved according to the threshold guidelines defined in MTECH 500.581 *Purchasing Thresholds and Limits Policy*.
- 4.3 Cost sharing must be verifiable and fully documented in MTECH's accounting records following government or sponsor regulations.
- 4.4 Costs incurred by the college to fulfill cost sharing pledges or commitments must coincide with the budget period of the sponsored award.

5. Procedure

5.1 Pre-award

Proposals should include a proposed budget, justification, and/or narrative documentation. The proposal is reviewed for eligibility before submitting it to the sponsoring organization. The employees included in the review process are defined using thresholds in MTECH Policy 500.581.

5.1.1 For expenses to be eligible for cost sharing, direct costs must be all of the following:

5.1.1.1 Allowable and allocable under federal and state cost principles and the terms of the sponsored program,

5.1.1.2 Necessary, reasonable, and directly related to the program objectives,

5.1.1.3 Verifiable and accounted for in MTECH's accounting records,

5.1.1.4 Labor costs are certified in the college's time and effort planning and certification process as outlined by MTECH 500.513 *Time and Effort Policy and Procedure*.

5.1.2 The direct costs must not be any of the following (unless specifically approved by the sponsoring organization):

5.1.2.1 Included as cost sharing for any other sponsored program,

5.1.2.2 Payable by the same sponsoring organization under another award,

5.1.2.3 Payable by a different sponsoring organization within the same governmental jurisdiction under another award (e.g., federal funds must not be used for cost sharing on another federal program),

5.1.2.4 Costs that are not allowable as direct costs on the award,

5.1.2.5 Cost overruns (e.g., operating cost exceeding original estimate),

- 5.1.2.6 Existing equipment made available for, but not dedicated to, the performance of the sponsored program;
 - 5.1.2.7 Any unallowable costs defined by other applicable federal, state, or sponsoring organization guidelines.
- 5.1.3 Cost sharing must meet the same criteria as direct costs. The following types of cost sharing are unallowable:
- 5.1.3.1 Double counting (e.g., applying the same cost(s) to more than one award),
 - 5.1.3.2 Expenditures incurred before the award start date,
 - 5.1.3.3 Lack of a clear relationship between the cost(s) and the program.
- 5.1.4 Use of Time and Effort as Cost Sharing
- 5.1.4.1 There will usually be some level of time and effort directly designated for cost sharing to a sponsored program. To be considered covered under a sponsored program, it must be quantified in the proposal narrative, budget, and/or budget justification. The amount of effort must be realistic and should be determined on a program-by-program basis. The total effort, including other duties, must not exceed 100 percent.
 - 5.1.4.2 In determining the appropriate level of effort subject to cost sharing, investigators should consider the following:
 - 5.1.4.2.1 The sponsoring organization's requirement for cost sharing, if any.
 - 5.1.4.2.2 The percentage of time spent on other sponsored programs.
 - 5.1.4.2.3 The amount of effort devoted to other functions such as teaching, administrative duties.
 - 5.1.4.2.4 The size of the program.
- 5.1.5 Use of Indirect Costs as Cost Sharing

- 5.1.5.1 Use of indirect costs for meeting cost sharing commitments is typically unallowable unless identified explicitly in the proposal narrative, budget, and/or budget justification and accepted (or not expressly disapproved) by the sponsoring organization. Indirect costs may be calculated and claimed as cost sharing, if not prohibited by the sponsoring organization, on overhead bearing direct costs that are allowable and documented as cost sharing (effort, supplies, current services, etc.).
- 5.1.5.2 Cost sharing may consist of direct or unrecovered indirect expenses (i.e., waived or reduced indirect cost rate). When direct expenses are subject to cost sharing, the associated indirect costs are automatically subject to cost sharing.
- 5.1.5.3 Cost sharing in the form of waived or reduced indirect costs is the difference between the applicable college cost rate and the indirect cost awarded by the sponsoring organization. If the sponsoring organization allows, waived indirect costs will be calculated on the college's negotiated federal rate.

5.2 Post-award

5.2.1 Confirming Cost Sharing at the Start of a Program:

Upon receipt of official notice of a new award, the designated employee(s) will review each program for cost sharing requirements.

- 5.2.1.1 If cost sharing is required, a cost sharing confirmation document, with instructions for tracking cost sharing, will be prepared and reviewed according to threshold guidelines in MTECH Policy 500.581.

5.2.2 Compliance with Cost Sharing Commitment

- 5.2.2.1 Once the award is accepted, failure to comply with the cost sharing commitment made in the proposal may result in a loss or return of program funds as required by federal and/or state regulations. Relevant staff members and administrative officer(s) are responsible for ensuring compliance with cost sharing rules and procedures.

5.2.2.2 Cost sharing should be tracked regularly to prevent over- or under-contribution. If it is anticipated that there will be a significant under-contribution, the Finance Department should be contacted immediately.

5.2.3 Documenting and Reporting Allowable Cost Sharing

5.2.3.1 All cost sharing expenditures of a sponsored program must be adequately documented and, where possible, recorded in MTECH's accounting system.

5.2.3.2 Expenditures documented as cost sharing must be allocable, allowable, necessary, and reasonable for the proper and efficient accomplishment of program objectives according to federal cost principles.

5.2.3.3 Cost sharing cannot be used or reported more than one time. If cost sharing benefits more than one program, it should be prorated equitably among the programs (e.g., based on the percentage of each program's cost to total combined program costs).

5.2.3.4 Unless otherwise authorized, expenditures by the federal government under other agreements may not be used as cost sharing for federal programs.

5.2.3.5 Mandatory cost sharing must be disclosed in approved budgets when required by the sponsoring organization.

5.2.3.6 Cost sharing must be incurred during the award period.

5.2.3.7 Time and effort must be certified at least twice a year, as the federal government requires. Refer to the MTECH Policy 500.513 for more information.

5.2.4 Changes in Cost Sharing Commitments

If changes to the amount pledged for cost sharing are required or in the cost sharing sources identified once an award is received, a revised cost-sharing plan should be submitted to the Finance

Department and then forwarded to the sponsoring organization for approval, if required.

5.2.5 Close Out of Sponsored Program Including Cost Sharing

5.2.5.1 Ninety days prior to the expiration of a sponsored program, the sponsored program administrator(s) should begin to monitor cost sharing and other account activity more closely to determine actions that will be needed before expiration (i.e., requesting a no-cost extension, processing appointment forms to move payroll charges to new accounts, reviewing ledgers for outstanding entries, etc.). Preparations should begin for final reporting at this time.

5.2.5.2 The final closeout must be completed within the sponsoring organization's guidelines. Closeout will typically be required no more than 90 days after expiration.

5.2.5.3 Sponsored program administrators are encouraged to work closely with the Finance Department on close-out procedures.

6. Evaluation History

Last Evaluation	Executive Staff Approval	Board Approval
This document was adopted by approval by the Board of Trustees on 03/20/2025.		