



**I. 7.1.6 Cost Sharing on Sponsored Programs**

Chapter 7 - Research and Sponsored Programs	Original Effective Date: October 2009
Section: 7.1 Office of Sponsored Programs	Date Last Reviewed: August 2025
Responsible Entity: Senior Vice President for Research	Date Last Revised: August 2025

**II. Purpose**

UT Health San Antonio seeks to support its faculty in the pursuit of their sponsored programs interests while, at the same time, allocating all available resources to comprehensive support of the entire UT Health San Antonio enterprise. In doing so, UT Health San Antonio intends to allocate resources to their highest and best use. Cost Sharing, as defined below, may be necessary in limited circumstances to support an externally funded project. In making such a commitment, UT Health San Antonio creates the requirement to account for such Cost Sharing in its financial records. The purpose of this policy is to describe the process for contributing UT Health San Antonio resources to externally sponsored projects and the documentation requirements of such contributions.

**III. Scope**

This policy applies to all individuals involved in Sponsored Program activities, particularly Principal Investigators and Project Directors.

**IV. Policy**

It is the policy of UT Health San Antonio to discourage the sharing of costs on sponsored awards unless it is a requirement for application. In limited circumstances, Cost Sharing may be voluntarily offered to the sponsor, but not without approval of the department Chair, unit Director or other administrative individual who has budgetary control over the funding to be used for the cost share. In the case of Committed Effort in the form of faculty salary used as Cost Sharing, such monitoring should be performed by the department/center on a routine basis utilizing the resources provided by the Office of Sponsored Programs.

It is also the policy that UT Health San Antonio will report Cost Sharing to ensure that the institution is in compliance with all applicable federal and state requirements. UT Health San Antonio will maintain records of all Cost Sharing.

**A. Cost Sharing Criteria**

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1. To meet the administrative requirements for Cost Sharing under Office of Management and Budget (OMB) Uniform Administrative Requirements for Federal Awards ([OMB Uniform Guidance](#)), and state requirements, any Cost Sharing must meet the following criteria:
  - a. Is verifiable from the UT Health San Antonio records;
  - b. Is not included as contributions for any other federally assisted project or program;
  - c. Is necessary and reasonable for proper and efficient accomplishment of project or program objectives;
  - d. Is allowable under the applicable cost principles;
  - e. Is not paid by the federal government under another award, except where authorized by federal statute or the award terms and conditions;
  - f. Is provided for in the approved budget when required by the federal awarding agency;
  - g. Conforms to other provisions of the Uniform Guidance and state guidelines, as applicable;
  - h. Has distinct funds that remain available to the Cost Sharing commitment and are not allocated to any other use or activity;
  - i. Is considered in the proposal/review and approval process by the Principal Investigator Chair/Director for mandatory and voluntary committed Cost Sharing commitments; and,
  - j. Is to be managed as part of the total institutional commitments of individuals; see the Institutional Handbook of Operating Policies (IHOP), [7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs](#).
  - k. For federal awards, unrecovered indirect costs on Cost Sharing or matching may be included as part of Cost Sharing only with the prior approval of the federal awarding agency.
2. The following expenses cannot be used as Cost Sharing in sponsored project proposals or awards:
  - a. Unallowable costs as defined in [OMB Uniform Guidance](#), Subpart E – Cost Principles;
  - b. Salary dollars above a regulatory cap such as that of the DHHS Salary Cap;
  - c. University facilities such as laboratory space;
  - d. Depreciation on equipment;
  - e. Costs that do not benefit the project or which occur outside the period of performance.

### B. Documentation Requirements

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1. The Office of Sponsored Programs (OSP) is responsible for providing Cost Sharing information to external sponsors demonstrating that UT Health San Antonio has fulfilled the mandatory Cost Sharing commitment that it made as a condition of receiving external funding. When other than faculty salaries are cost shared and so that OSP may correctly report mandatory Cost Sharing obligations, a Principal Investigator's department or administrative unit must provide Cost Sharing information to OSP at the time of the award.
2. To ensure that Cost Sharing is properly accounted for, monitored, tracked, and reported as required by the sponsor, the OSP will establish a companion non-grant project that will be used exclusively for recording allowable Cost Sharing expenditures. Unless general revenue or endowment funds are being utilized, funding for the mandatory Cost Sharing commitment must be provided by the Principal Investigator's department or administrative unit at the time the companion project is set-up. OSP will process the transfer of funds to the companion project. The Principal Investigator must ensure that Cost Sharing funds are expended as proposed to and accepted by the sponsor. If general revenue funds are being utilized as Cost Sharing, OSP will work with the Principal Investigator's department or administrative unit and other appropriate UT Health San Antonio offices to determine how Cost Sharing will be monitored and accounted for.
3. The most common form of cost sharing is contributed effort. At the end of each fiscal year, the Office of Sponsored Programs reviews and reports salary cost sharing to University executive leadership. Salary cost sharing is defined as salary costs not borne by the funding agency.

### C. Committed Effort as Cost Sharing

1. Faculty or Staff Effort. It may be appropriate to contribute faculty or staff effort to the performance of a sponsored program. The commitment to provide such support binds UT Health San Antonio to contribute the effort and record the associated expenditures, including fringe benefits with the appropriate cost share funds. Such effort will be documented within UT Health San Antonio institutional and documentation compensation reporting system.
2. Cost shared effort is included in the calculation of an individual's total Committed Effort. Although proposals could be in circulation at any given time that in the aggregate exceeds 100% of a faculty or staff member's effort, care must be taken at the time of each award to ensure that effort is not committed in excess of the appointment in effect during the concurrent period of time.
3. Significant decreases in effort by key personnel to a project may require coordination with or approval by the external sponsor. This approval requirement applies to changes in committed levels of effort to be cost shared on the project, as well as to that which will be directly charged to the project.

### D. Administration of Policy

1. The Senior Vice President for Research is responsible for institutional compliance with this policy.
2. Administration of the policy is the responsibility of the OSP.

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3. Each UT Health San Antonio department or administrative unit has the primary responsibility to ensure compliance with this policy.

### E. Sanctions for Non-Compliance

Failure to comply with the requirements of this Policy is subject to disciplinary actions as described in IHOP policy, [4.9.3 Progressive Disciplinary Action](#).

## V. Definitions

When used in this document, the following words have the meaning set forth below unless a different meaning is required by context.

Committed Effort - the amount of time that a faculty member commits to a specific project. Committed Effort may not always equal paid effort.

Cost Sharing - the mandatory or voluntary commitment of institutional resources contained in the proposal or award. The concept of cost matching is synonymous with Cost Sharing. Cost Sharing may be made up of either salary or non-salary costs. There are different categories of Cost Sharing:

1. Mandatory Committed Cost Sharing - refers to costs in excess of what the sponsor will fund and where there is a requirement for UT Health San Antonio to fund some portion of the project as a condition of the award. It must be included in the proposal to receive consideration from the sponsor.
2. Salary Cap Cost Sharing - results when an individual's Institutional Base Salary exceeds a sponsor's salary cap (rate of pay allowable from sponsor funds).
3. Voluntary Committed Cost Sharing - refers to costs in excess of what the sponsor is being asked to fund that are included in the proposal budget but are not a requirement of the sponsor.
4. Voluntary Uncommitted Cost Sharing - refers to the costs of the project not funded by the sponsor, and which were not committed in the proposal or award.
5. Non-salary Cost Sharing - refers to non-salary costs (e.g., supplies, materials, equipment, and the like) that benefit a project, but are not paid for by the external sponsor.

Institutional Base Salary (IBS)- the total guaranteed annual compensation an individual receives from UT Health San Antonio, representing the individual's time spent on research, teaching, patient care, and/or other activities. IBS does not include fringe benefit payments; reimbursed expenses; temporary, supplemental compensation for incidental work; income earned outside of duties to the institution; and any portion of compensation deemed to be at risk. IBS does not include additional payments made for the temporary assumption of administrative duties but does include such additional payments when included as part of an individual's permanent, guaranteed annual compensation.

Unrecovered Facilities and Administrative (F&A) Costs - the difference between the amount awarded by an external sponsor and the amount that could have been awarded

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utilizing UT Health San Antonio's approved federal negotiated Facilities and Administrative (F&A or indirect) cost rate

## VI. Related References

For questions regarding this policy, contact the Office of Sponsored Programs (OSP) at [grants@uthscsa.edu](mailto:grants@uthscsa.edu) or 210-567-2340.

**Office of Management and Budget Uniform Administrative Cost Principles, and Audit Requirements for Federal Awards** ([OMB Uniform Guidance](#))

**National Institutes of Health (NIH)**  
*Policy and Compliance website, [Grants Policy Statement](#)*

## VII. Review and Approval History

The approving authority of this policy is the University Executive Committee.

Effective Date	Action Taken	Approved By	Approved Date
10/2009	Policy Origination		
11/2016	Policy Revision		
09/2022	Policy Revision	VP/CFO	8/04/22
08/2025	Policy Revision		