# FAS COST SHARING PROCEDURES

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PROPOSAL APPROVALS

All proposals that include cost sharing commitments are reviewed at the school level by FAS RAS and require the completion of the proposed cost sharing information in GMAS.

Please note the following required signatories on cost sharing proposals who should be added to the Approvals section within the GMAS cost sharing module:

Principal Investigator

Department Approver (This should be the administrator responsible for confirming any pledged financial commitments of departmental funds)

Dean’s Designee Signatory:

Jennifer Lech is the signatory for FAS Divisions of Science and Arts & Humanities.
Mandy Ellenwood is the signatory for FAS Division of Social Science Division.

Refer to the Recording Cost Sharing Commitments in GMAS Job Aid for more detailed instructions for entering proposed cost sharing commitments directly in GMAS. Cost Sharing data is considered complete when the following fields are complete

Description
Tub-Org-Fund
Amount ($)

*For AY salary managed by FAS Finance, please enter Tub only and a note in the remarks that companion accounting will be handled through SPECTRA. For unrecovered IDC, no account information is required.

and the following Signatures have been obtained
PI
Department Chair Signatory

Once these fields have been completed, the Sponsored Programs Approver and FAS Cost Signatory / Dean's Designee can sign off.

Sign-off Instructions for Department Approvers and PIs:

GMAS: Please note that when cost sharing is entered into the GMAS proposal, locking and routing the proposal will generate a separate “GMAS Reminder” email to all signatories on the GMAS Cost Sharing form as of May 21, 2018. A link in that separate email will take the cost share signatory directly to the GMAS Cost Sharing form to sign.
NOTE: A HUCSF may be used at proposal stage if changes are made after the proposal has been locked and routed.

NEW AWARD NOTIFICATION
OSP will work with the department to verify and confirm that the proposed cost sharing indicated in GMAS at the proposal stage is still accurate. If changes are needed, the department will complete a HUCSF with appropriate signatures and submit to OSP via email and upload the revised form in the GMAS document depository in a folder labeled “Cost Sharing.”

The following approvers should sign in Section C of the HUCSF:

**Principal Investigator**  
Dept/Local Level Managing Unit Signature: Department Approver  
Designated School Authorized Representative: Dean’s Designee Signatory: Only if Cost Sharing is being increased/added OR effort commitments are being changed.

AT AWARD SETUP
An Action Memo for a new award with committed cost sharing will be generated and OSP should indicate the total amount of the committed cost sharing in the Action Memo Remarks.

Once spending begins, per the Harvard University Cost Sharing Policy, all committed cost sharing should be tracked using **companion accounts**, which are created by matching the Activity, Subactivity, and Root segments of the sponsored account code and the Fund segment of the non-sponsored account that provides the cost sharing. Example below:

<table>
<thead>
<tr>
<th>Tub</th>
<th>org</th>
<th>Object</th>
<th>Fund</th>
<th>Activity</th>
<th>Subactivity</th>
<th>Root</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Fund</td>
<td>370</td>
<td>30000</td>
<td>xxxx</td>
<td>123456</td>
<td>234567</td>
<td>0001</td>
</tr>
<tr>
<td>Companion Account</td>
<td>370</td>
<td>40000</td>
<td>xxxx</td>
<td>000001</td>
<td>234567</td>
<td>0001</td>
</tr>
</tbody>
</table>

To begin charging to a companion account, please make a request to appsec@fas.harvard.edu to cross validate the org of the non-sponsored fund with the sponsored activity and root:

*Please cross validate the following account string: 370.40000.xxxx.000001.123456.0001.43211.*

Please note, if the non-sponsored fund is an endowment or gift fund, please provide a short paragraph describing the terms of the gift/endowment and the sponsored project for review by the finance office.

If you experience any problems charging to a companion account string, contact FAS Finance Security and Chart of Accounts Administration (“APPSEC”).

If faculty effort is being cost shared, FAS Finance will assist with a journal from core funds to the
companion activity. This should be done in advance of each certification period using SPECTRA (see next section).

THROUGHOUT THE AWARD

Departments are responsible for ensuring that committed cost sharing expenses are posted to the correct applicable cost sharing account string(s) in the University GL when the cost sharing sources are University funds or sponsored matching funds. When the cost sharing source is another non-federal sponsored fund or in-kind contribution, cost sharing must be documented and tracked by the department using alternative methods that are verifiable from University records. Regular reviews and reconciliations of the award expenditures and related committed cost shared expenses should be conducted to ensure that the costs are allowable, allocable, reasonable, and consistently comply with federal regulations, University policies, and sponsored award terms and conditions.

COST SHARING EFFORT IN SPECTRA

Voluntary Committed Cost Sharing

If a faculty member has expended effort on a sponsored award but has not direct charged a companion can be used to capture the effort commitment for certification purposes.

When updating the effort commitment section of a SPECTRA request, please ensure that each award listed is updated to reflect anticipated expended effort for the given fiscal year. This will help to ensure that the correct cost share calculation is generated and that cost share is accurately posted, using a companion account, to our general ledger to align salary with effort.

Over the Cap

Please note that over the cap (OTC) salary should utilize a companion account. This can be done one of two ways in SPECTRA:

1) faculty can “top up” their supplemental salary through a companion account created by validating the project’s activity and subactivity with a discretionary fund. Once the cost share is posted to the general ledger, it will appear under the 6040 object code.

2) If there’s no “top up”, and the effort commitment section is updated to reflect anticipated expended effort (assuming the percentage of anticipated expended effort is more than the percentage requested under the supplemental salary section), the calculate cost share button should show a percentage of cost share for that award. This cost share would appear under the 6010 object code with the activity and subactivity of the project. The fund number will be a tub-level discretionary account. Cost sharing against the 6010 object code, or 9-month academic appointment is done by FAS Finance using the cost sharing report from SPECTRA.
For additional information on SPECTRA, please visit the FAS finance SPECTRA website at http://finance.fas.harvard.edu/spectra.

FAS RAS maintains a database of all accounts at FAS and SEAS that are flagged with Cost Share in GMAS. Reports will be distributed to departments periodically with updates on cost share balances and the identification of new awards as needed. Please reach out to Marina Magid with any questions.

REPORTING, CLOSEOUT AND DOCUMENTATION

If the sponsor requires cost sharing reporting, the department is responsible for providing OSP Research Finance Team with cost sharing documentation including a reconciled Detail Transaction Listing of cost shared expenses posted in the GL, and subrecipient cost sharing information when applicable. For in-kind cost sharing, all documentation maintained at the department/local level managing unit will be reviewed by OSP Research Finance Team to determine how the cost sharing commitment is reported to the sponsor.

All cost share forms and related records must be retained locally for audit purposes and should be uploaded to GMAS in a folder labeled “Cost Sharing.”

To close a sponsored account in the GL, the sponsored activity-subactivity combination must net to zero. Keep in mind that an account may appear fully reconciled with zero balances in GMAS but still fails to disable in the GL because of transactions to a non-sponsored fund with the sponsored “activity-subactivity” combination.

- This situation could happen when the companion account is used for cost sharing and the cost sharing transactions are posted in the current fiscal year, or if there are prior year deficit balances carried forward at the sponsored activity-subactivity level. To identify the unreconciled cost sharing balances the department can run DL by only entering the sponsored “activity-subactivity” values and sorting by funds for the current fiscal year period.

When closing out the sponsored accounts, the department should reconcile the expenses and work with OSP to process the journal to zero out the deficit balances on the companion accounts, using a non-sponsored fund designated as the cost sharing source. This is done by journaling the income object code 5910 to credit the cost sharing companion account string and debit the fund value with an unspecific activity-subactivity combination, as shown in the following example.

Credit: 125.45300.5910.026670.377171.0001.15399                ($15,000)
Debit: 125.45300.5910.026670.000000.0000.15399                  $15,000

Once the above journal is processed in the GL, the total balances on the sponsored activity-subactivity combination (377171-0001) will net to zero, and the sponsored account can be closed in the following month of disabling process.
SCHOOL CONTACTS

Pre-Award:

Jennifer Lech, Sponsored Research Officer, FAS Research Administration Services:
Divisions of Science and Arts & Humanities

Mandy Ellenwood, Sponsored Research Officer, FAS Research Administration Services:
Division of Social Science

Post-Award:

Marina Magid, Senior Compliance and Reporting Specialist, FAS Research Administration Services