

# TANZANIA MENTORS ACTION



## COST SHARING POLICY

*Revised Version 2023*



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## 1. Our Vision

To have a society that is healthy and capable of contributing fully to the development of individuals, communities, and the nation at large.

## 2. Our mission

To empower leaders, service providers and citizens across all levels of governance to deliver demand driven quality services by promoting both downward and upward accountability through various methods including mentorship.

## 3. TMA Core values

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<a href="#">Excellence</a>	We are committed to providing services that are distinctive and of high quality.
<a href="#">Innovation</a>	We are innovative in our designs and operations, using technology and modern ways of doing business to further satisfy the needs and expectations of the customer.
<a href="#">Integrity</a>	We value responsible character with impeccable levels of integrity for all individual members, office bearers and staff of TMA, in and outside TMA programming.
<a href="#">Commitment</a>	We are fully committed to all our pledges and engagements.
<a href="#">Respect</a>	We accord due regard to the feelings, wishes, and rights of others.
<a href="#">Transparency</a>	We are transparent to our members, staff and stakeholders in all we do.
<a href="#">Accountability</a>	We are guided by the highest possible standards of internal and external accountability to all our stakeholders, and we comply with all statutory requirements.
<a href="#">Equality</a>	We believe that all human beings are equal in dignity and before the law.
<a href="#">Gender Sensitive</a>	We are sensitive to gender needs and understand that equality is not the same as equity.

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**Diversity**

We cherish and respect diversity in terms of culture, religion, political opinion, social origin and style of doing things provided the said diversity does not infringe the law.

**4. Definition of the Policy**

Cost sharing is any portion of the total costs of a project or program not borne by the sponsor. Cost sharing typically takes the form of in-kind resources such as contributed project personnel effort or cash. It may include salaries, fringe benefits, general expenses, Facilities and Administration (indirect) costs or third-party contributions. Cost sharing commitment means any cost sharing that is offered and quantified anywhere in a proposal. TMA shall apply two type of Cost sharing which are: **Mandatory cost sharing:** This is cost sharing requirement by the sponsor as a condition of obtaining an award. **Voluntary committed cost sharing** is a commitment by TMA to participate in the cost of a project that is not required by the sponsor, but which is included voluntarily in the Organization’s proposal to the sponsor.

**5. Policy Statement**

Cost sharing is the portion of sponsored project cost not borne by the sponsor. Cost sharing occurs when a sponsor requires, or the institution commits funds beyond the awarded amount by the sponsor. It is the policy of TMA that cost sharing is proposed, approved, administered, available, and accounted for in a consistent and reasonable manner throughout the project/program. To comply with all applicable United Republic of Tanzania laws and regulations and sponsoring agency guidelines, TMA must be accountable for documenting and verifying cost sharing commitments.

**6. Purpose**

The purpose of this Policy is to provide requirements, guidelines, and procedure for monitoring, tracking, and reporting cost sharing to sponsoring agencies for all sponsored programs, Central Government of Tanzania, and private, at Tanzania Mentors Action. This includes the understanding of cost sharing commitments and determining when cost sharing is appropriate and allowable.

**7. Scope**

This policy is intended to provide clarity regarding documenting and verifying cost sharing commitments as it relates to applicable Tanzania laws and regulations, sponsoring agencies for all sponsored programs and private.

## **8. Compliance**

United Republic of Tanzania regulations for cost sharing on sponsored projects requires the institutions to be accountable in documenting and verifying cost sharing commitments, with the same diligence as actual expenditures on contracts and grants.

TMA encourages cost sharing arrangements for all sponsored programs, as these arrangements involve unique accounting procedures and require funding resources from TMA. Cost sharing arrangements also necessitate increased monitoring to ensure compliance.

## **9. Overview**

9.1 Cost sharing is a financial commitment toward the total cost of a project from a source other than the granting organization. Contributions for cost sharing include other departmental designated funds, gifts, or endowment income. Cost sharing can be one of the two types, either mandatory or voluntary.

9.2 Cost sharing implies the redistribution of TMA resources to support a specific sponsored agreement. Because these resources can be scarce in some cases, it is important not to overcommit funds when the sponsor does not require them and when the project can be completed without them.

9.3 Once committed in a proposal narrative, proposal budget, or notice of award, mandatory and voluntary committed cost sharing funds must be verifiable and fully documented in the accounting records in accordance with government regulations. Third-party in-kind contributions do not require accounting entries in TMA's accounting system. However, adequate records must be maintained to demonstrate that the full cost share commitment was performed. Effort commitment must be certified in the time and effort certification process for mandatory and voluntary committed cost sharing.

9.4 Consideration should be given for committing to cost sharing including, but not limited to the following:



- a) Cost sharing brings down Facilities and Administrative Costs (F&A) costs rate and reduces the reimbursement from the sponsors. Cost sharing committed in the proposal is considered as direct costs and is added into the denominator (base) of the Facilities and Administrative Costs (F&A) costs calculation.
- b) It reduces the flexibility Principal Investigators (PIs) have to conduct other projects.
- c) It increases the requirements for accounting and record keeping.
- d) Unrecovered Facilities and Administrative Costs (F&A) costs may be included as part of cost sharing only with prior approval of awarding agency.

### **10. Unallowable Costs for Cost Sharing.**

The following expenses cannot be offered as cost sharing commitments in sponsored project proposals:

- a) expenses that are already committed to another project as cost sharing.
- b) expenses that are provided from a URT or another sponsored program.
- c) existing TMA -owned equipment or institution facilities.

### **11. Allowable Costs for Cost Sharing.**

- a) Costs for cost sharing may consist of allowable direct or indirect costs and must meet the same tests as those charged to the sponsored projects. Examples of eligible costs include the following:
  - i. allowable and allocable costs under the terms and conditions of the sponsored agreement; and
  - ii. cost of equipment purchased necessary for the completion of the project.
- b) Salaries, wages, and benefits in excess of regulatory salary rate caps are considered voluntary committed cost sharing.

### **12. Procedures**

#### 12.1 Pre-Award.

- a) Consideration should be given to the administrative requirements and responsibilities inherent in the cost sharing commitment to determine the cost effectiveness and the expected benefits of cost sharing, prior to making such commitments. Departments must obtain

approval for cost sharing commitments from the Office of the Chief Executive Officer prior to proposal submission.

b) In addition, a PI is required to:

- i. verify that effort commitment cost sharing in the proposal has been submitted and approved by the individual listed in the proposal as well as his or her supervisor.
- ii. obtain budget authority for cost sharing amounts in the proposed budget.
- iii. ensure that committed funds for cost sharing are available at the time the proposal is submitted and throughout the life of the award.
- iv. obtain approval documentation for cost sharing commitments from third-party contributions or other sources as appropriate; and
- v. ensures that the total effort for an individual, including cost sharing, does not exceed 100% at the time of award acceptance.

A. **Post-Award Procedures:**

1. Grant and Contract Accounting (GCA) will establish a companion cost sharing account along with the sponsor funded account as soon as notification from Office Sponsored Project (OSP) is received.
2. GCA will monitor expenditures spent from the cost sharing account as well as from the grant/contract account. Both resources should be spent as the project progresses. The cost sharing account, like the externally sponsored account, will be closed 90 days after the end of the award period.
3. If cost sharing is not to be provided as proposed, or when effort committed by the Project Director is to be decreased by 25% or more of the total committed effort (grant account and cost sharing account), prior approval from the sponsor must be requested by the Project Director through OSP.
4. Allowable cost sharing may include Departments, units and staff effort, fringe benefits, supplies, equipment, travel, other costs, subcontracts, and Administration Costs, in-kind, and third-party contributions.

5. If cost sharing obligations are met by a third-party, such as in-kind contributions (volunteer services), documentation in the form of a letter from the individual or organization should be obtained by the Project Director. Each letter should include period of effort, amount, and value of effort for each individual or labor category, breaking out salary and benefits, and a statement that the source of support for the effort is non-URT and not identified as cost sharing for another project. The Project Director must approve this letter, indicating that the contribution was received, and forward the approval to GCA.
6. Donated supplies, equipment, buildings, land or loaned equipment or space, and other contributions should be valued at the current fair market value or in accordance with the applicable cost principles. The Project Director is responsible for providing documentation acceptable to GCA.
7. When cost sharing is required from a subrecipient, it should be documented on subrecipient invoices. GCA will not authorize final subcontract payments until cost sharing requirements are met. The subrecipient cost sharing requirement should be included in the subcontract budget submitted through OSP.
8. GCA will report cost sharing, along with expenditure of sponsor funds as required by award terms, to the sponsoring agency.

#### 12.2 Post-Award.

- a) When a PI proposes to cost share TMA resources, TMA is required to provide the stated resources in the performance of the sponsored agreement.
- b) Implicit in the commitment to cost share is the PI's agreement to ensure that funds are budgeted and available, and cost sharing is properly accounted for, monitored, tracked, and reported as required.
- c) Accounting for Cost Sharing.
  - i. Cost sharing expenses for each project are accounted for in separate accounts established specifically for that purpose.
  - ii. Allowable costs must be timely and accurately charged to the appropriate cost sharing account and must be approved by the PI.
- d) Monitoring, Tracking, and Reporting Cost Sharing.



- i. The PI and the Finance Department are obligated to monitor, track, maintain documentation of the mandatory and voluntary committed cost sharing, and report to the sponsor.
  - ii. The tracking, reporting, and certifying of cost sharing shall be subject to audit under, sponsor guidelines, or terms of the sponsored agreement.
- e) Time and Effort Reporting.
- Cost sharing effort is included in the calculation of total committed effort. Although proposals could be in circulation at any given time that exceed 100% of a staff's effort, care must be taken to ensure that effort is not committed more than the appointment allows for concurrent periods of time. Effort commitments cost sharing can only be used once and cannot be included as contribution for any other sponsored program.