

Cost Sharing

POLICY STATEMENT

Cost sharing represents the portion of a sponsored agreement project cost contributed by the University and/or other non-federal sources not reimbursed by the sponsor. It includes expense categories similar to the sponsored budget. The University must be in compliance with Federal costing and Cost Sharing requirements as set forth in [2 CFR 200.306](#) and uses the procedures outlined to monitor and report cost share expenditures.

Cost sharing can be categorized either as:

1. Mandatory
 - a. Required by the sponsor as a condition of obtaining an award.
 - b. Such cost participation is set forth in project announcements or guidelines issued by the sponsor.
2. Voluntary Committed
 - a. Commitment by the University to participate in the cost of a project.
 - b. Not required by the sponsor but included as voluntary in the proposal to the sponsor or the award on the part of the University which becomes a binding requirement of the award.

Voluntary committed cost sharing is not expected under Federal research proposals and is not to be used as a factor in the review of applications or proposals. Cost sharing requirements on non-Federal awards are dependent on each sponsor's proposal guidelines. If cost sharing (whether mandatory or voluntarily committed) is subsequently accepted by the sponsor as a condition of the award, the University must maintain accurate records to verify that these funds have been expended toward the project's objectives.

Voluntary *uncommitted* cost sharing is defined as:

1. Staff and faculty effort over and above that which is committed and explicitly budgeted in a sponsored agreement.
2. Project expenditures in excess of sponsored funding.

These costs are separately classified within the University's accounting system and cannot be used to meet mandatory or committed cost share requirements. They must be supported by unrestricted or other non-grant sources.

When a proposal includes either Mandatory or Voluntary Committed cost sharing, approval must be obtained from all parties providing resources prior to the proposal submission. The Principal Investigator is responsible for ensuring:

1. Funds are identified for cost sharing prior to proposal submission.
2. The same cost sharing contribution cannot fulfill more than one cost sharing obligation.
3. Third party contributions, including in-kind contributions, are properly documented.
4. Allowable, allocable, necessary and reasonable costs are incurred, for accomplishment of project or program objectives, during the effective dates of the award and are timely and accurately charged to the appropriate cost sharing fund.
5. Federal cost sharing requirements are not met with other federal funds.

Cost share expenditures must meet the same terms and conditions as those associated with the sponsored award and University policy.

In addition, cost sharing may not be proposed where explicitly prohibited by the sponsor (i.e. National Science Foundation).

The Research and Sponsored Programs Accounting (RSPA) office is responsible for financial reporting to sponsoring agencies demonstrating the University has fulfilled required cost sharing commitments. In order to meet reporting and auditing requirements, cost sharing commitments will be charged, when applicable, to a separate cost share fund established solely to track this commitment. For third party and in-kind cost share, commitments will be track manually by RSPA. RSPA will monitor the cost share commitments throughout the life of the grant to ensure they are met and appropriately documented.