University Policy: Cost Sharing

Policy Category: Grants and Contracts Policies

Subject: Cost sharing in sponsored projects.

Office Responsible for Review of this Policy: Vice Provost for Graduate Studies and Research


Related University Policies: OSP: Principal Investigator's Handbook (PDF)

I. SCOPE

This policy specifies the University's procedures regarding cost sharing in sponsored grants and contracts.

II. POLICY STATEMENT

The purpose of this policy is to ensure compliance with Federal Cost Sharing requirements as set forth in OMB Circulars A-21, A-110 and the Clarification of A-21 Treatment of Voluntary Uncommitted Cost Sharing. This policy establishes procedures for recording cost shared expenditures in the University's accounting system.

III. DEFINITIONS

Cost Sharing:
Cost sharing is the portion of the total budget of a sponsored research project agreement that is contributed by the University and/or other non-federal sources but not reimbursed by the sponsor.

IV. POLICY

The University's policy is to minimize institutional and third-party cost sharing on sponsored projects. Cost sharing may be allowed when it is mandated by the sponsoring agency or when it is necessary to reflect the institutional or other resources that must be expended to accomplish the scope of the project objectives. It must be noted that most cost sharing resources are supplied by the department, school or college. Approval
of voluntary committed cost sharing is the responsibility of the Chair of the principal investigator's teaching unit, the Dean of the principal investigator's academic unit and the Vice Provost for Graduate Studies & Research.

Basic Principles

• It is the university's policy not to approve cost sharing on a voluntary basis.
• Cost sharing should only occur when it is demonstrably in the best interest of the University to do so. Because of this policy, the University generally will not commit resources to a sponsored project unless required to do so by the sponsor.
• It is the University's policy not to allow cost sharing on federal sponsored agreements unless it is required by federal statute for that purpose and the sponsor approves the costs in writing.
• All cost sharing agreements must be approved in advance of the submission of the grant application by the Dean or administrator of the principal investigator's academic unit.
• Departmental administrators and the principal investigator are responsible for: Monitoring cost-shared activities, certification of cost-shared effort, and the completion of documentation that cost share agreements made as conditions of sponsored awards have been fulfilled. Nonperformance of these responsibilities may result in significant liabilities for the academic unit in which the award is housed.
• Exceptions to this policy must be approved in advance by the Vice Provost for Graduate Studies and Research.

V. EFFECTIVE DATE(S)

This Policy was effective: October 1, 2012

VI. SIGNATURE, TITLE AND DATE OF APPROVAL

This policy needs to be signed by the appropriate officer (listed below) before it is considered approved.

Approved:  
Provost

Date Approved: 10/11/12.