



OP 80.13 COST SHARE

PURPOSE

Cost share refers to the resources contributed or allocated by the University (including third-party resources) to a sponsored project over and above the support provided by the sponsor of that project. The purpose of this policy is to provide further definition on the types of cost share that may be involved with sponsored activities as well as provide guidance on obtaining approval for including cost share in agreements with external sponsors. This policy is applicable to both federal and non-federal sponsored projects, with a section specific to additional federal guidelines at the end of the policy. The policy is not applicable to federal funds appropriated, such as, Hatch, McIntire-Stennis, Animal Health, Smith-Lever.

DEFINITIONS

Sponsored Project is defined as an externally funded activity that has a defined scope of work or set of objectives, which provides a basis for sponsor expectations. Examples include but are not limited to research or scholarly activity, outreach, instruction or training, and creative endeavors.

Cost Sharing/Matching is any expense borne by the University necessary to complete a sponsored project.

Mandatory Cost Share is cost share that is required by the sponsor as a condition of the award. Mandatory cost share must be recorded in the accounting system and documented to support that the requirement was fulfilled.

Voluntary Cost Share is cost share that is not required by the sponsor. Voluntary Cost Share will be classified as either committed or uncommitted cost sharing as follows:

- *Voluntary Committed Cost Share* – Voluntary cost share becomes “committed” when cost share is offered quantifiably in the proposal budget, budget justification or proposal narrative. It is considered committed cost sharing once awarded by the sponsor. It therefore must be recorded in the accounting system and documented to support that the requirement was fulfilled.
- *Voluntary Uncommitted Cost Share* is cost share that is not required by the sponsor or quantified in the proposal budget, budget justification, and proposal narrative or stated in the awarding documents. This type of cost share need not be documented or reported in the accounting system.

In-Kind costs are expenses borne by an external organization. These costs can easily be identified, verified, and justified, but no cash transaction takes place. Such costs include donated labor, services, and space. These costs are not included in the accounting system, but may be offered as cost share on the sponsored agreement.

POLICY

The University strongly encourages that sponsored funds be used to pay for all work conducted on sponsored projects, including both direct and full F&A (indirect) costs. Cost share on sponsored projects beyond the amount required by the sponsoring agency is strongly discouraged. Only when Mandatory Cost Share is required by the sponsoring agency, should cost share be included in the proposal. When cost share is provided as part of the award, a companion cost share fund will be established. Cost share expenditures must be charged to this companion cost share fund to record the expenditure in the accounting system. Funds must be transferred from departmental accounts into the cost share fund to cover the cost share expenses. Cost sharing related to effort should also be included and documented on the individual's certified Effort Report.

It is the responsibility of the principal investigator to ensure that the institutional obligation is met. When the cost share obligation is not met, the unit(s) fiscally responsible for the award is required to cover any deficits that may result.

All cost share must conform to applicable university, sponsor and federal policies, procedures, and regulations.

Federal guidelines are found in Uniform Guidance 2 CFR 200.306 Cost Sharing or Matching.

Effort on Federally Sponsored Projects

Per M-01-06, Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing, dated January 5, 2001, "In addition, most Federally-funded research programs should have some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government. This effort can be provided at any time within the fiscal year (summer months, academic year, or both). However, some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student augmentation, do not require committed faculty effort, paid or unpaid by the Federal Government, and consequently would not be subject to such an adjustment."

Therefore, when preparing a project budget, principal investigators (PIs) should ensure that the appropriate effort is budgeted for at least one senior personnel. If the funds associated with a senior personnel will be provided as cost share, the following will apply:

- The individual will commit to an amount commensurate with the requirements of the project. This amount shall not be less than 2% of their time.
- The PI will document these details during the proposal submission process.
- These costs will be treated as Voluntary Committed Cost Share.

REVIEW

This policy will be reviewed by the Vice President for Research & Economic Development, the Vice President for the Division of Agriculture, Forestry, and Veterinary Medicine and the Vice President for Finance and Administration at least every four years.

RECOMMENDED BY:

/s/ Kevin Edelblute 12/20/2022
Associate Vice President for Finance Date

/s/ Don Zant 12/20/2022
Vice President, Finance and Administration Date

/s/ Julie Jordan 12/19/2022
Vice President, Research & Economic Development Date

/s/ Keith Coble 12/20/2022
Vice President Ag, Forestry & Veterinary Medicine Date

/s/ Tracey N. Baham 12/20/2022
Associate Vice President, Institutional Strategy & Effectiveness Date

/s/ Joan Lucas 1/9/2023
General Counsel Date

APPROVED BY:

/s/ Mark E. Keenum 3/27/2023
President Date