I. **PROCEDURE STATEMENT**

In accordance with the University Cost Sharing Policy, all mandatory or voluntary committed cost sharing and in-kind/matching must be identified, administered, and accounted for consistently throughout the University.

This procedure outlines the University procedures required in order to comply with any category of cost sharing commitment.

**Approval**

As documented in the Cost Sharing Policy, all proposed mandatory and voluntary cost-sharing arrangements must be approved by the responsible Chair and/or Dean before a proposal is submitted to the Office of Research and Project Administration (ORPA). The Chair and/or Dean should then contact ORPA well in advance of the proposal deadline to discuss the specifics of the proposal and to determine the sources of funds to meet this requirement. ORPA will forward all voluntary cost sharing commitments to the Dean for Research for approval in advance of the proposal submission. Please see a Flow Chart of the Approval Process for Mandatory and Voluntary Cost Sharing.
II. **WHO IS AFFECTED BY THIS PROCEDURE**

This procedure applies to all sponsored projects and programs. It should be understood by Principal Investigators (PIs), Grant Managers, Department Managers, Department Chairs, Deans, Dean for Research, Sponsored Research Accounting (SRA), and the Office of Research and Project Administration (ORPA).

III. **CONTENTS**

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IV. **DEFINITIONS**

**Allowable Costs** – In order to be eligible to be considered as cost sharing, costs must be verifiable from the official University records. Tests for allowability of costs include the following:

- not previously used as cost sharing for another project (the same cost sharing expenditures cannot be used for multiple projects)
- reasonable and allocable to the project ([OMB Circular A-21](#))
- allowable under the terms of the award and under [OMB Circular A-21](#)
- conform to other provisions of [OMB Circular A-110](#), as applicable
- incurred during the effective dates of the grant or during the pre-award phase when authorized by the sponsor
- not paid by the federal government under another award

**Coeus** – University grants management database for administering proposals and awards
Coeus Cost Sharing Distribution – Coeus distribution of proposed cost sharing amounts broken down by project year and responsible department(s)

Committed Cost Sharing – cost sharing specifically pledged in the proposal budget or sponsored agreement; included in the organized research base for Facilities and Administrative (F&A) purposes

Cost Sharing - OMB Circular A-110 defines “cost sharing” or “matching” as that portion of a project or program costs not borne by the sponsor. It includes both cash and in-kind contributions that a recipient makes to an award:

Cash contributions: The recipient’s cash outlay, including the outlay of money contributed to the recipient by third parties.

In-kind contributions: Non-cash contributions in the form of real property, equipment, supplies, and other expendable property, and the value of goods

Mandatory Cost Sharing – cost sharing required by the sponsor as a condition of the award

Unallowable Costs - costs considered unallowable by the University or by the sponsor:

• costs considered unallowable under OMB Circular A-21 or under the terms of the sponsored award

• salary amounts exceeding a regulatory salary cap (e.g., National Institutes of Health)

• University facilities such as laboratory space

Uncommitted Cost Sharing – faculty effort over and above that which is committed and budgeted for in a sponsored agreement; donated time is neither committed in the proposal nor required in the award, is not subject to effort reporting, and is not included in the organized research base for Facilities and Administrative (F&A) purposes

Voluntary Cost Sharing – cost sharing offered when no mandatory cost sharing requirements exist, or cost sharing which is in excess of mandatory cost sharing requirements

V. LINK TO RELATED POLICY AND PROCEDURES

Cost Sharing Policy

Procedure for Cost Sharing in Awards

Flow Chart of Approval Process for Mandatory and Voluntary Cost Sharing
VI. PROCEDURES

PROPOSAL PREPARATION

The following steps must be completed during the proposal preparation process:

1. The department administrator and PI must examine the sponsor’s proposal guidelines or program solicitation to determine whether cost sharing is mandatory or voluntary.
2. The department administrator and PI must forward any request for voluntary committed cost sharing to ORPA for prior approval by the Dean for Research.
3. The department administrator and PI must identify, provide resources, and obtain all necessary commitments for the proposed cost sharing arrangement.
4. The department administrator and PI must confirm that all identified cost sharing funds are allowable and eligible as cost sharing.
5. The department administrator and PI must identify the unit responsible for fulfilling University-funded cost sharing commitments in Coeus and ensure any required commitment letter(s) are obtained.
6. A detailed cost sharing budget must be prepared in Coeus that includes the appropriate level of detail required by the sponsor. If details are not required by the sponsor, a detailed cost sharing budget must be prepared in Coeus for internal evaluation of the University’s ability to fulfill the cost sharing obligation.
7. The department administrator and PI must ensure the following approvals are obtained prior to submitting the proposal to the sponsor:
   - Department Chair/Head (for PI unit and any other unit(s) committing cost sharing resources)
   - Dean for Research (for voluntary committed cost sharing)
   - ORPA

PROPOSED COST SHARING TYPES

Faculty or Non-Faculty Effort and Employee Benefits

When salary cost sharing is proposed, the cost shared amount must be calculated based on the individual’s expenditure of effort and not on how the individual is paid by the University. This is particularly important to consider for faculty who are paid over a period of ten months for a nine-month academic year salary. In order to calculate salary cost sharing for the purposes of submitting a proposal budget, the percentage of effort committed to the sponsored project or program is multiplied by the number of months of the individual’s effort. The resulting person-
month(s) is/are multiplied by the individual’s University monthly rate of pay. In addition, the employee benefits must be included in the cost sharing calculation.

Examples:

a. 5% of a 9-month academic year appointment equals .45 (AY) person months (9 x .05 = .45)

   .45 months x monthly rate of pay (base salary ÷ 9) = salary cost sharing amount (plus benefits)

b. 10% of a 12-month calendar appointment equals 1.2 (CY) person months (12 x .10 = 1.2)

   1.2 months x monthly rate of pay (base salary ÷ 12) = salary cost sharing amount (plus benefits)

The responsible department for salary and employee benefit cost sharing should be specified as the department responsible for the individual’s salary.

**Graduate Student Salary**

When graduate student salary is proposed as cost sharing, the cost-shared amount must be calculated based on the student’s applicable academic year or summer effort. The graduate student’s home academic department will normally be responsible for graduate student salary cost sharing.

**Graduate Student Assistant in Research (AR) Tuition**

For those sponsors who pay full F&A costs, the University’s graduate student AR tuition subsidy is a common form of cost sharing. The responsible department for graduate student AR tuition subsidy cost sharing should be specified as “970”, or the Graduate School.

For those sponsors who do not pay full F&A costs, the graduate student AR tuition subsidy does not apply. Therefore, the graduate student’s home academic department will normally be responsible for any non-subsidized graduate student AR tuition cost sharing.

**Equipment**

Existing equipment cannot be offered as cost sharing unless the receipt of the award is contingent upon such cost sharing. PIs should not commit the use of University-owned or government-owned equipment as cost sharing but should describe the equipment as “available for the performance of the project or program”.

Proposals which include the acquisition of special-purpose equipment as a direct cost may include an offer of University funds to pay for all or part of the costs of such equipment. Purchase and acquisition of the equipment must occur during the period of performance of the sponsored agreement. The portion of the purchase price paid by the University should be
considered the cost sharing commitment. The responsible department for equipment cost sharing should be specified as the responsible department(s) committing the funding.

**Other Direct Costs**

Allowable direct costs may be committed as cost sharing on the proposal budget. The following are examples of other direct costs that may be cost shared:

- travel expenses
- materials and supplies

**F&A Costs**

When direct costs are included in a cost sharing arrangement, the associated indirect costs should be included as part of the University cost sharing commitment. Unrecovered indirect costs, when a sponsor does not pay the University’s full F&A rate, may only be used as cost sharing if explicitly approved by the sponsor. The responsible department for all F&A cost sharing may be specified as “670”, or as University-funded overhead.

**Subrecipient Costs**

All subrecipient cost sharing commitments must be specified in a letter of cost sharing commitment and included in the detailed budget. The responsible department for subrecipient cost sharing should be specified as the lead department.

**Third Party Collaborator Costs**

All third party cost sharing commitments must be specified in a letter of cost sharing commitment and included in the detailed budget. Cost sharing may be in the form of actual cash expenditure of funds to the University in the form of a gift or may be an “in-kind non-cash” commitment. The responsible department for third party cost sharing should be specified as the lead department.

**COEUS INPUT**

A detailed cost sharing budget must be prepared in Coeus that includes the appropriate level of detail required by the sponsor. If details are not required by the sponsor, a detailed cost sharing budget must be prepared in Coeus for internal evaluation of the University’s ability to fulfill the cost sharing obligation. The Coeus [Department User Guide](#) documents how to add cost sharing amounts based on the cost sharing type in proposal budgets.

When the proposal budget is complete and final, the total committed cost sharing broken down by project year must be distributed using the Coeus Cost Sharing Distribution process. The Cost Sharing Distribution should clearly delineate the responsible department(s), separate project year(s), and the amount of all proposed committed cost sharing.
**POST PROPOSAL SUBMISSION**

The PI and lead department submitting the proposal are cautioned that they are ultimately responsible for fulfilling the cost sharing commitment proposed. If proposed forms of cost sharing do not materialize, the PI and lead department must be prepared to identify alternate forms of cost sharing to meet the obligation.

**VII. FORMS**

None

**VIII. CONTACT ROLES AND RESPONSIBILITIES**

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<tr>
<th></th>
<th>PI &amp; Dept Administrator</th>
<th>Dean / Chair/ Director</th>
<th>ORPA</th>
<th>SRA</th>
<th>Dean for Research</th>
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<tbody>
<tr>
<td><strong>Cost Sharing</strong></td>
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<td>Reviews the sponsor proposal guidelines to determine cost sharing requirements</td>
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<td>Submits to ORPA requests for voluntary committed cost sharing in advance of proposal preparation</td>
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<tr>
<td>Approves voluntary committed cost sharing arrangements in advance of the proposal submission</td>
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<tr>
<td>Develops a cost sharing plan and identifies the source of funding (gift, operating budget, endowment, etc) for all cost sharing arrangements</td>
<td>X</td>
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<tr>
<td>Obtains all required letters/documentation of cost sharing commitments</td>
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**PROCEDURE: Cost Sharing in Proposals, effective XX/XX/XX**

Please see current procedure and related policy online at <url>. You printed this document on [date]

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<th>En ters cost sharing budget into Coeus</th>
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<td>Approves full and final proposal prior to submission to the sponsor</td>
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**IX. UPDATE LOG**

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