

Policy on Cost Sharing	Effective Date: July 15, 2014
Related Policies and Procedures:	

I. GENERAL STATEMENT

This Policy establishes requirements for identifying, accounting for, and reporting cost sharing associated with sponsored projects. The Policy applies to all Principal Investigators (PIs), co-PIs, and any other person with a role or responsibility in the application for, receipt of, or administration of sponsored projects.

II. DEFINITIONS

- A. OMB Circular A-110: The document published by the federal government's Office of Management and Budget establishing uniform administrative requirements for grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations.
- B. Cost Sharing: A portion of total sponsored project costs not funded by the sponsor. Cost sharing is classified as either: mandatory, voluntary committed, or voluntary uncommitted, and may be in the form of cash or in-kind contributions.
- C. Mandatory Cost Sharing: Cost sharing that is required by a sponsor as a condition of obtaining a sponsored project award. This type of cost sharing is a binding commitment on the University.
- D. Principal Investigator: The individual designated by the University as responsible for the scientific or technical direction of the sponsored project. The Principal Investigator is also part of the University team responsible for a sponsored project's financial and administrative compliance.
- E. Voluntary Committed Cost Sharing: Cost sharing that is not required by the sponsor, but nevertheless is promised by the University to the sponsor. Some examples of voluntary committed cost sharing are: (1) a percentage of effort a researcher included in a proposal budget for which salary compensation was not requested; or (2) purchase of equipment for a project that is included in a proposal budget but for which no funding was requested.
- F. Voluntary Uncommitted Cost Sharing: Cost sharing that is not required by the sponsor and is not committed to the sponsor by the University. This includes

effort a researcher commits to a sponsored project that is over and above the effort committed to in the sponsored project proposal.

III. PROCEDURE

A. Types of Contributions Eligible for Cost Sharing

Contributions must meet the following criteria in order to be eligible for cost sharing:

1. Verifiable from the recipient's records;
2. Not already included as contributions for any other federally-assisted project or program;
3. Necessary and reasonable for proper and efficient accomplishment of project or program objectives;
4. Allowable under the applicable cost principles (see Allowable Costs Policy for guidance on allowability of costs);
5. Not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing;
6. Provided for in the approved budget when required by the Federal awarding agency; and

Any unrecovered indirect costs from the sponsored project may be used as cost sharing only with prior approval of the sponsor. Cost sharing expenditures must be allowable, allocable and reasonable (see Allowable Costs Policy for further guidance).

The Principal Investigator or other authorized official is responsible for monitoring cost sharing for timeliness and adequacy.

B. Valuation of Items Provided for Cost Sharing

Contributions of services and property toward cost sharing must be valued in accordance with the applicable cost principles. Please consult award terms and conditions, OMB Circular A-110, and any sponsor-specific guidance when valuing items contributed for cost sharing purposes.

C. Documenting Cost Sharing

All cost-shared expenses must be treated consistently in proposal preparation and financial accounting and reporting. The source of funding for cost sharing must be approved by the responsible division's VP or CEO, unless the cost sharing is voluntary uncommitted cost sharing in which case no prior approval is required.

Office of the CFO and Office of the Sponsored Programs should maintain all records of cost sharing, including documentation of the valuation of the cost share, in accordance with applicable record retention requirements

D. Failure to Comply with Cost Sharing Policy

Failure to comply with the Policy set forth above may result in disciplinary action up to and including termination of employment.

IV. EMPLOYEES OF OTHER DISTRICT OF COLUMBIA AGENCIES

To the extent the foregoing Policy is relevant to employees of District of Columbia agencies over whom the University lacks personnel authority, the University will work in good faith with those employees to effectuate adherence to the Policy.

V. CONTACTS

University Office of the Chief Financial Officer
University Office of Sponsored Programs

VI. COMMITTEES REVIEWING/APPROVING PROCEDURE:

Sponsored Programs Policy Committee
Audit, Administration and Governance Committee of the Board of Trustees
Board of Trustees of the University of the District of Columbia

HISTORY/REVISION DATES

Last Amended Date: July 10, 2014

Next Review Date: