

Cost Sharing Documentation Policy

INTRODUCTION

Cost sharing is defined as the portion of costs that are contributed by the institution for a sponsored project. Cost sharing that is required by Federal programs and voluntary cost sharing committed in grant proposals must be tracked and documented according to OMB Circular A-110, Subpart C.23.

http://www.whitehouse.gov/omb/circulars_a110

Cost sharing contributed to a Federal project must be verifiable on records and not included as contributions for any other Federal projects. Such contributions should be necessary and reasonable for the purpose of the project and must be allowable costs per OMB Circular A-21.

(http://www.whitehouse.gov/omb/circulars_a021_2004) In addition, such contributions cannot be paid from other Federal funds.

The Principal Investigator is ultimately responsible for fulfilling the cost sharing commitment. When cost sharing is expected to be less than the budgeted amount, the sponsoring agency should be contacted and written permission for a reduced cost sharing amount needs to be obtained. The sponsoring agency has the right to reduce the amount of the direct award if the permission to reduce cost sharing is not granted.

Cost sharing expenses that are directly incurred by the University will be tracked with dedicated UAccess Financials cost share subaccounts that are setup for each project with cost share obligations. Examples of these costs are personal services, operational costs, travel costs, equipment, and student support. The cost share subaccounts will be linked to a University source account that funds the cost share, such as a state or indirect cost account. All University cost sharing expenses must be posted to these subaccounts.

Third party cost share such as subcontractor's contributions, and third-party in kind should be supported by paper or electronic documentation. The department is required to update or obtain the third party cost sharing documentation on a regular basis or at least once a year at the end of each budget period for projects without a cost sharing reporting requirement. Sponsored Projects provides the [3rd Party Cost Share Certification Form](#) for this purpose.

DEFINITIONS

1. Mandatory Cost Sharing: Cost sharing required by a Federal program or a specific award. Detailed reporting on a regular basis may also be required.
2. Voluntary Committed Cost Sharing: Cost sharing not required by a Federal program or a specific award but voluntarily offered by providing a quantifiable contribution in the budget or in the proposal narrative. Voluntary committed cost sharing may also occur when budgeted costs such as salaries costs are not charged to the award but paid directly by the University. Voluntary committed cost sharing needs to be tracked and documented. It may also need to be reported to the sponsoring agency depending on the terms of the award.

3. Voluntary Uncommitted Cost Sharing: Cost sharing not required and not quantified in the proposal but contributed voluntarily. Voluntary uncommitted cost sharing does not need to be tracked and documented.
4. Suitable Means of Verification: Written confirmation signed by an individual who has the first-hand knowledge of work performed. Verbal communication or negative confirmation is not a suitable means of verification per OMB Circular A-21.
5. Cost Share Subaccount: A subaccount created in UAccess Financials to hold cost sharing expenses on a per project basis.
6. Cost Share Source Account: The University source account that funds a cost share subaccount, such as a state or indirect cost account. The cost share subaccount holds the details cost share expenditures whereas the cost share source account funds those expenses.