



BOISE STATE UNIVERSITY

University Policy 6110

Cost Sharing

Effective Date

February 2005

Last Revision Date

April 2019

Responsible Party

Division of Research and Economic Development, (208) 426-5732
Office of Sponsored Programs, (208) 426-4420

Scope and Audience

This policy applies to faculty and staff involved in sponsored project operations and the administration of sponsored projects or with the authority to expend sponsored project funds.

Additional Authority

- Uniform Guidance, 2 CFR 200.306, “Cost Sharing or Matching”
 - Federal Acquisition Regulation, 48 CFR 16.303, “Cost-sharing Contracts”
 - National Institutes of Health, Notice on Salary Limitation on Grants, Cooperative Agreements, and Contracts No. NOT-OD-16-045
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1. Policy Purpose

This policy establishes the requirements and procedures for proposing, approving, administering, and documenting Cost Sharing on Sponsored Projects.

2. Policy Statement

Boise State University (“University”) has established the following policy for the management of cost sharing to comply with the Office of Management and Budget, Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), the Federal Acquisition Regulation (“FAR”), and other federal and non-federal policies, regulations and procedures.

3. Definitions

3.1 Cost Share

Project or program costs not borne by the Sponsor.

3.2 Committed Cost Share

Mandatory Committed Cost Share and/or Voluntary Committed Cost Share.

3.3 Federal Cost Principles

Federal cost principles in Subpart E to 2 CFR Part 200 and FAR Subpart 31.3.

3.4 In-Kind Cost Share

Contributions provided by the University, or non-federal third parties, wherein the value can be readily determined, verified, documented, and justified, but where no actual cash is transacted in securing the good or service comprising the contribution. When applicable, an estimated value of the In-Kind Cost Share should be determined and documented based on the fair market value at the time of the accepting award (or Federal Cost Principles as applicable).

3.5 Mandatory Committed Cost Share

Required as a condition of the award which must be tracked and may require reporting. This type of cost sharing is required by the Sponsor and must be included in the proposal.

3.6 Over-the-Cap Salary

The portion of a faculty or staff member’s salary and associated fringe benefits exceeding regulatory maximums (e.g., National Institutes of Health Notice on Salary Limitation on Grants, Cooperative Agreements, and Contracts (the “NIH Salary Cap”), Department of Defense salary cap). Over-the-Cap Salary cannot be used to meet a Committed Cost Share requirement, since it is considered an unallowable cost to the Sponsor.

3.7 Sponsor

Entity providing sponsored project funding to the University.

3.8 Voluntary Committed Cost Share

Cost sharing specifically pledged by the University on a voluntary basis, (e.g., not required by the Sponsor as a condition of the award) which is quantified in either the proposal budget and/or narrative. It becomes a binding requirement of the award, must be tracked, and may require reporting.

3.9 Voluntary Uncommitted Cost Share

Cost sharing specifically pledged by the University on a voluntary basis which is not required by the Sponsor as a condition of receiving an award. These costs are not quantified in the proposal or award and do not need to be tracked or reported.

3.10 Uniform Guidance

Set of regulations in the Code of Federal Regulations (2 CFR 200), that consolidated and updated federal guidelines governing research administration, including the former Office of Management and Budget Circulars A-110 (Grants and Agreements with Institutions of Higher Education), A-21 (Cost Principles for Educational Institutions), and A-133 (Audit Requirements).

4. Responsibilities and Procedures

4.1 Cost Sharing Principles

- a. Cost sharing pledges are real commitments. The University engages in cost sharing when it is in the best overall interest of the University. Although the University is firmly committed to assisting faculty in the pursuit of external funding for sponsored project activities, the resources available for cost sharing are limited. As such, the University strongly discourages cost sharing unless it is required by the Sponsor. Where cost sharing is necessary, cost sharing resources are primarily provided by the college / department / administrative unit(s) of Principal Investigators (“PIs”) and Co-PIs.
- b. In cases where cost sharing is not required, the University does not normally offer cost sharing. In exceptional cases, where the proposal has broad strategic implications for the University, cost sharing may be considered in close consultation with the relevant Department Chairs and Deans’ offices. Department Chairs and Deans should consider the administrative requirements and responsibilities inherent in the cost sharing commitment

and reporting requirements and should carefully weigh the cost-effectiveness versus the expected benefits of each potential cost sharing commitment. Cost sharing of direct expenditures represents a redirection of resources from teaching or other departmental and University activities to support sponsored agreements.

- c. It should be noted there were significant regulatory changes to cost sharing requirements effective December 26, 2014 with the implementation of the Uniform Guidance. The Uniform Guidance clarifies the following:
 - (i.) Funding announcements must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible.
 - (ii.) Voluntary Committed Cost Share is not expected in federal research proposals and cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is: (a) in accordance with federal Sponsor regulations; and (b) specified in a notice of funding opportunity.

4.2 Cost Sharing Activities during the Sponsored Project Life Cycle

Cost share utilizes University resources, and therefore must be documented and approved by the appropriate University offices at specific times in the sponsored project lifecycle:

4.2.1. Proposal Preparation

PIs are urged to discuss proposed Cost Share well in advance of proposal submission deadlines. The PI, working with his/her OSP Pre-Award contact, develops a budget that meets the Sponsor's cost sharing requirements. When the proposal is routed internally, Cost Share must be fully documented in: (i) Section 5 of the Proposal Data Sheet (Cost Share Information in the Proposal); and (ii) in the proposal budget. The proposal is then submitted for funding.

4.2.2. Award Acceptance

During this stage, the obligation is recorded. This involves receiving the notice of award, confirming the terms and conditions of the award, and documenting the cost sharing commitment.

4.2.3 Award Management

While the project is ongoing, committed cost sharing obligations must be tracked for compliance, reporting and audit purposes. Monitoring progress toward meeting Cost Share obligations is part of routine financial monitoring of sponsored projects. This monitoring is very

important to ensure Cost Share commitments are met. As required by Sponsors, OSP coordinates with the PI and other college/departamental personnel to periodically report completed Cost Share commitments to Sponsors.

4.2.4 Award Closeout

As required by Sponsors, OSP coordinates with the PI and other college/departamental personnel to report final Committed Cost Share numbers to Sponsors. OSP maintains this information for compliance and audit purposes.

4.3 Costs Eligible for Cost Share Commitments

University resources are eligible to be Cost Shared if they meet all of the following criteria:

- Are not included as Cost Share for another sponsored project unless specifically approved by the Sponsor;
- Are verifiable from University records;
- Are necessary and reasonable for the accomplishment of the sponsored project objectives;
- Are consistent with applicable cost accounting principles (e.g., Federal Cost Principles);
- Are not funded from another sponsored project without Sponsor approval;
- Are incurred within the award project period, and are provided in the approved budget when required by the Sponsor; and
- Are allowable costs if charged directly to the Sponsor.

4.4 Costs Not Eligible for Cost Share Commitments

4.4.1 Federal Awards

The University may not utilize funds from one federal award as cost sharing on another federal award.

4.4.2 Salary Caps

Costs above applicable salary caps generally cannot be used as Cost Share. As an example, the University may pay a PI's salary amount in excess of the NIH Salary Cap with departmental or discretionary funds, but this differential cannot be used for Cost Share on NIH awards (or Subawards using NIH funds).

4.4.3 Costs Outside Project Period

Costs incurred prior to the award start date identified on the official award document are generally ineligible for cost sharing, unless allowed as pre-award costs or with Sponsor approval. Absent Sponsor approval, costs incurred after the award end date are not eligible for cost sharing.

4.4.4 Unallowable Costs

Costs not allowed to be charged to the Sponsor are not allowable as cost sharing.

4.5 Cost Sharing Expenditure Types

Cost sharing commitments can be satisfied using direct costs that are consistent with applicable cost principles (e.g., Federal Cost Principles).

Examples of Allowable Cost Share Expenditure Types Include:

4.5.1 Salary and Fringe Benefits

Salary and fringe benefits associated with effort on the project but not paid by the Sponsor. For example, a PI proposes to spend 30% of her total time worked as effort on a sponsored project. She plans to charge 10% of her salary to the project. The remaining 20% of her effort is Cost Share because she is committing the effort, but is not charging the entire 30% to the Sponsor.

4.5.2 Travel Expenses

Travel expenses if they comply with applicable travel regulations (e.g., lowest economy airfare, Fly America Act).

4.5.3 Procurement Actions

Supplies, professional services, and other direct costs used to further sponsored project objectives.

4.5.4 Tuition and Fees

Tuition and fees related to work performed by students on sponsored projects.

4.5.5 New Equipment

If a project requires the purchase of new equipment as a condition of an award, it is allowable to purchase the equipment and Cost Share all or part of the expense in proportion to the value to

the sponsored project. For example, if a piece of equipment is purchased with the expectation of using it 50% on a sponsored project and 50% for other University purposes, then 50% of the total cost may be direct charged OR Cost Shared to the project when an appropriate allocation method is used.

4.5.6 Existing Equipment

- a. Equipment that is owned by the University prior to the start of the award is not allowable as cost sharing for federally funded sponsored projects, as the equipment was not purchased during the award period. However, University-owned equipment can still be used on federally funded sponsored projects. In each case, the proposal should explicitly state that “the equipment is available for the performance of the sponsored project at no direct cost to [Sponsor name].”
- b. Reporting as Cost Share the use of existing equipment is allowable on federally-funded sponsored projects only when an approved Recharge Center rate has been established and published.

4.5.7 Space and Facilities

It is not allowable to claim the value of University facilities as cost sharing on federally-funded sponsored projects, as the use of the University’s facilities is partially paid for by Sponsors through the application of the University’s F&A (Facilities & Administration) cost rate. The University may offer the use of a research lab or facilities for a federally funded project, in which case, the proposal should state “the facility or lab will be available for the performance of the sponsored project at no direct cost to [Sponsor name].”

4.5.8 Unrecovered F&A Costs

When direct costs are Cost Shared, unrecovered F&A costs associated with the direct costs may also be Cost Shared. The University may include waived F&A costs as University Cost Sharing in proposals, per University Policy 6080 (Facilities and Administration [F&A] Cost Rates and Waiver or Partial Waiver of F&A Costs). Some Sponsors do not allow the inclusion of unrecovered F&A costs as Cost Share.

4.5.9 F&A Costs on Cost Shared Expenses

The value of the Facilities and Administration costs calculated on the Cost Shared direct costs may be counted towards the Cost Share total when allowed by the Sponsor.

4.6 Third Party Cost Share

Paid, volunteer, and in-kind contributions to sponsored projects made by third parties may be counted as Cost Share if it's consistent with applicable cost principles (e.g., Federal Cost Principles). For paid or volunteer services, the value of the services must be consistent with what individuals performing these services would be paid by the third party (or others in the third party's labor market if the third party does not have the requisite skills).

4.7 Changing a Cost Sharing Obligation

- a. Once an award has been made, and the Cost Sharing obligation has been accepted by the Sponsor, the commitment cannot be changed without prior approval from the Sponsor. Reducing a cost sharing commitment is different from changing the source of funds used to fulfill that commitment. If the commitment level stays the same, and the scope of work is unchanged, the source of funds can be changed without approval of the Sponsor, unless the award terms and conditions stipulate differently.
 - b. Approval from the appropriate University official who controls the funds that are being used must be provided to OSP to ensure the Cost Share commitment is correctly reflected in the financial system for monitoring and reporting.
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Revision History

April 2019