

COST SHARING

Cost Sharing

The following information is intended to assist faculty and staff in the cost sharing process pertaining to sponsored projects.

Clarkson's procedure with regard to cost sharing is intended to comply with the requirement of OMB Circulars A-110, A-21, and the cost sharing requirement of the federal sponsors of research. It is the responsibility of the PI, Division of Research, and Comptroller's Office to ensure that cost sharing funds are expended in accordance with the terms and conditions of the award agreement.

Definitions

Cost Sharing: is the portion of project expenses related to a sponsored project that is contributed by parties other than the primary sponsor and not directly charged to the sponsored project account. Cost sharing may be required by the sponsor or offered by the PI and may or may not be included in the sponsored award document.

Depending on the circumstances, cost sharing may be considered **committed** (mandatory or voluntary) or **uncommitted**.

Committed Cost Sharing: is clearly identified and described in the proposal budget and made a condition of the resulting award. Sponsors require that committed cost sharing be tracked, documented, and in some cases certified and reported.

- **Mandatory Cost Sharing:** is required by the sponsor as a condition of an award. Mandatory cost sharing results either from statutory requirements or from agency policy requirements.
- **Voluntary Cost Sharing:** is not required by the sponsor, but is offered by the grantee institution as a demonstration of its commitment to the project. When voluntary cost sharing is included in the proposal budget, it is considered committed cost sharing once the award has been made.

Uncommitted Cost Sharing: is considered any contributions to the project above the amount committed and budgeted for in a sponsored agreement. Uncommitted cost sharing does not have to be tracked, documented, or reported.

Federal Regulatory Requirements for Cost Sharing Include:

- Federal funds cannot be used to meet cost sharing requirements on federally funded awards.
- Costs can be claimed as cost sharing only once.

- Costs claimed must be verifiable, necessary, allowable and reasonable for the award on which they are being claimed.

Procedure

Proposal

Where there is a formal cost sharing commitment, the cost sharing will be identified in the proposal budget and budget justification. The Provost, Dean, and/or Department Head will provide the approvals for the commitment of funds that will be used for cost sharing.

Award Acceptance

The "Notice of Award", prepared and distributed by the Division of Research, will identify the cost sharing requirements under the award. The information will contain the source of cost sharing funds, (faculty salary, fringe, overhead, equipment etc.), the dollar amount for each specific cost, and the total commitment. Costs incurred must coincide with the budget period of the sponsored project.

The University contributions must be approved by the appropriate Dean/Department Chair and a separate account is set up by the school or department funding the cost sharing.

Post Award

It is important to document the fulfillment of the University's responsibility for cost sharing and to maintain compliance with government regulations. Failure to comply with the cost sharing commitment may result in a loss or return of project funds.

Periodic tracking of cost sharing is done to prevent any under contribution. In the event PI's proposed changes to budget categories affecting cost sharing commitments (ex. tuition), prior approval by the appropriate Dean is requested.

Clarkson must maintain documentation of the cost sharing and, as required, submit reports of the cost sharing to the sponsor.

Questions concerning the applicability of cost sharing requirements to particular sponsored projects should be direct to the Division of Research (6475).

References

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>
OMB Circular A-110

http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html
The Office of Management and Budget Circular A-21