



The Office of Academic Grants Federal Regulations Cost Sharing

OAG 3-1-2012

Federal Regulations: Cost Sharing on External Funding

OMB Circular A-110, Subpart C, Section 23.

Cost sharing Procedures for External Grants

I. PURPOSE

To document expenses that are officially assigned in support of a sponsored program (grant/contract) but not paid by the sponsor and are mandatory to meet the conditions of the award, in compliance with Office of Management & Budget (OMB) Circular A-110.

II. DEFINITIONS

- A. Cost sharing:** The portion of project or program costs that are not borne by the sponsor.
- B. Mandatory cost sharing:** Costs that have been committed by the University towards the support of a program or project. These may be contributed by the university or by third parties. This may be a requirement of the sponsor to be eligible for the award, or it may be voluntarily proposed by the PI/University and accepted by the sponsor as a condition of the award. No cost shared amount can be expended prior to the start date on the award notice. (Examples: faculty effort, non-faculty salaries, equipment, supplies, and materials necessary for the project, reductions/waivers of indirect costs (considered only when an agency or program has a formal F&A rate lower than the universities current rate or disallows F&A recovery, third-party cost sharing is that portion of a project's costs, direct or F&A, not born by the sponsor. Third part cost sharing must be officially authorized by the third party institution and can be either in-kind or cash)
- C. Office of Management and Budget:** The federal office that assists the President in overseeing the preparation of the federal budget and supervise its administration in Executive Branch agencies by promulgating rules and regulations through the issuance of circulars.
- D. OMB Circular A-110:** The circular that sets forth uniform administrative requirements for grants and agreements with institutions of higher education, hospitals, and other non-profit organizations.
- E. Principal Investigator:** The Regis employee (usually a faculty member) who is responsible for the proper conduct of research or other activity described in a proposal for an award. Used interchangeably with Program Director.
- F. Sponsored Programs:** Programs or projects that are funded by an external entity through an award (grant, contract, etc.) to the University requiring a report or return of funds if unspent. Sponsored programs include research, instruction, and other sponsored activities.

G. Voluntary Uncommitted Cost sharing (VUCS): Costs that have not been promised and/or quantified to the sponsor, and therefore, not a condition of the award.

III. POLICY

Mandatory cost shared expenses shall be documented within the Regis University financial system by indicating the appropriate Activity Code for each expense transaction that is in support of a sponsored program. Cost sharing will only be allowed when required by the sponsor and only in the amount required. Cost sharing on a federal award may not be paid by any other federal award (either direct or Facilities and Administrative Cost).

IV. PROCEDURES

- A.** When a proposal is prepared, the PI shall work with the Office of Academic Grants to identify cost-shared expenses.
- B.** When an award is received that includes mandatory cost-sharing, the Grants Accounting Office shall notify accounting to set up an Account and accounting will mark the grant funding with a cost sharing marker to denote the tracking of cost share.
- C.** When a cost shared expense is entered, will be recorded as cost share and shall be included in the entry along with the fund, org, account, and program.
- D.** The Grant Accounting Staff will notify PIs on a regular basis of active grants/contracts that require cost-sharing.

V. ROLES AND RESPONSIBILITIES

- A.** Principal Investigator is responsible for assuring that all cost-shared expenses are identified and coded with the proper Activity Code.
- B.** Deans / Department Chairs shall assure that departmental staff who are responsible for transmittal of expenditures are knowledgeable about the requirements for coding cost shared expenses.
- C.** The Office of Academic Grants shall notify the Grant Accounting Staff to create Activity Codes, and distribute reports for notification of cost sharing requirement with originating grant award documentation.

VI. REFERENCES AND AUTHORITY

- OMB Circular A-110, Subpart C, Section 23.