CSUDH | OFFICE OF SPONSORED RESEARCH & PROGRAMS

Cost Sharing Policy

Revised: February 2019

POLICY STATEMENT

This policy provides guidelines in the proposing, reporting and documenting of cost sharing for sponsored projects received by the California State University Dominguez Hills and managed by the California State University Dominguez Hills Foundation. The purpose of the policy is to insure compliance with the Office and Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards, Section 2 CFR 200.036 (Uniform Guidance) and CSU ICSUAM 11003.07 which states "Under Federal research proposals, voluntary cost sharing is not expected. It cannot be used as a factor during the merit review of applications of proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity." Voluntary cost sharing should not be included in a federal proposal.

Section 2 CFR 200.036 also states that "cost sharing funds" are a) verifiable from the University's records, b) not included as contributions for any other federal award, c) are allowable under Subpart E Costs Principles, e) not paid from another federal award, and f) included in the approved budget when required by the Federal awarding agency."

For the purposes of this policy, "cost sharing" and "match" shall have the same meaning.

DEFINITIONS

Cost sharing/Match represents the non-sponsored portion of the costs of conducting a sponsored project. These resources are contributed to the project by contributors that may include the University, foundations, third party entities, and /or individuals.

Types of Cost Sharing:

Mandatory cost sharing refers to cost sharing that is required by a sponsored grant or contract in writing, typically this is required at the Request for Proposal (RFP) stage. Some sponsors require that the recipient of an award provide some level of cost sharing as a condition of the award.

Voluntary cost sharing refers to cost sharing that is not explicitly required by the sponsor or funding agency but is provided by the University on their own initiative. Voluntary cost sharing is further divided into two categories, committed and uncommitted.

Voluntary committed cost sharing refers to cost sharing that is not explicitly required by the sponsor, but is quantified and included in the proposal budget and award. It must be reported and documented.

Voluntary uncommitted cost sharing is defined as effort that is over and above that which is committed and budgeted for in a sponsored agreement. It occurs when faculty or other senior project personnel provide effort above the agreed upon costs sharing. It does not need to be reported and documented.

The University discourages the practice of offering cost sharing on a voluntary basis during the proposal stage, which then becomes voluntary committed cost sharing and a regulated obligation for the University. Only in rare cases, when this type of cost sharing is absolutely essential to make a proposal competitive will it be considered. In these situations, it will require approval by the Office of Sponsored Research and Programs (OSRP). It is also important to note that the following policy and procedure related to allowability and documentation of cost sharing does not pertain to voluntary uncommitted cost sharing, as this type of cost sharing will not be formally documented. It is not mandatory to capture voluntary uncommitted cost sharing.

When a proposal is submitted with cost sharing included, the Project Investigator (PI), Department Chair, College Dean, Executive Director of Foundation, Director of Research and Funded Projects, VP for Administration and Finance and Dean, Graduate Studies and Research must sign the CSUDH Proposal Approval Form (green-sheet) to signify that they agree to meet the cost sharing requirements should the proposal be awarded.

When a project is awarded to the University with mandatory cost sharing, it becomes the responsibility of the PI to provide sufficient documentation to substantiate the actual cost sharing contribution and the responsibility of the Foundation is to record and maintain this documentation for reporting the cost sharing to the funding agency. All documentation on cost sharing is subject to audit in accordance with the sponsor's policy for funding, which is provided to award recipients. The following matrix defines the federal criteria for acceptable cost sharing contributions.

In addition to meeting the above criteria for allowability, there are more specific guidelines for what is considered acceptable cost sharing contributions and how these contributions should be valued. Appendix A illustrates acceptable cost sharing contributions, and clarifies appropriate documentation and valuation of these contributions.

Appendix A—Foundation Cost Sharing Policy

<table>
<tr><th>Example of Cost Sharing Item</th><th>Criteria for Acceptability</th><th>Appropriate Form of Documentation</th><th>Valuation Methodology</th></tr>
<tr><td>Salaries and Fringe Benefits</td><td>The service is an integral and necessary part of the approved project.</td><td>Signed effort certification statement for the appropriate academic terms.</td><td>Internal effort for cost sharing cannot be more than the proportionate institutional base salary for that employee. Paid fringe benefits that are reasonable, allocable, and allowable may be included in the valuation.</td></tr>
<tr><td>Employee services outside of the University (either donated by a third party or paid by the University as consultant costs).</td><td>Skill provided must be the same skill that the employee is normally paid for.</td><td>Invoice for paid effort which describes the related service along with the charge to the department account.</td><td>The employee's regular rate of pay plus applicable fringe benefit rates (see above). The rates should be consistent with the rates paid in the labor market.</td></tr>
<tr><td>Indirect Cost Foregone/Waived</td><td>Must have prior approval of the awarding agency (usually in the proposed budget). If it was not included in the original budget, prior written approval must be obtained by the sponsor.</td><td>Awarded budget or documentation of sponsor approval.</td><td>The difference between the awarded F&A rate and the federally negotiated F&A rate, multiplied by the total allowable modified total direct cost base. If approved by the sponsor, this could also be the indirect cost foregone on the cost sharing direct costs.</td></tr>
<tr><td>Equipment Use</td><td rowspan="3">The award requires the use of one or all of these three properties, but not the actual acquisition.</td><td rowspan="3">Using results from Valuation Methodology - certify the amount (number of months, years, full value etc.) that may be attributed to the project.</td><td rowspan="3">Normally only depreciation (according to the published University/Foundation schedule) or use charges (equivalent to what is charged within the University/ Foundation) for equipment and space may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed if they are approved by the sponsor.</td></tr>
<tr><td>Building Use</td></tr>
<tr><td>Land Use</td></tr>
<tr><td>Equipment</td><td>In general, equipment should not be used to meet cost sharing requirements, as it is used in the development of the F&A cost rate. It is only acceptable if specifically required by the sponsor.</td><td>Justification of why it needs to be used for cost share, and proof that it will not be included in the University F&A rate. Also include the PO and invoice and justification of allocability (i.e. the equipment is not being used for something else too).</td><td>The value of equipment used for cost sharing shall not exceed the fair market value of equipment of the same age and condition. The Office of University Advancement Gift in Kind Acceptance form should be used to value equipment donated from a third party.</td></tr>
<tr><td>Supplies: Expendable equipment, laboratory supplies, and/or workshop supplies</td><td>The supply is necessary for the approved project.</td><td rowspan="3">Detailed ledger of account which supported costs with appropriate expenditures highlighted.</td><td>Actual costs incurred.</td></tr>
<tr><td>Travel Costs</td><td>The travel is necessary for the approved project.</td><td>Actual costs incurred which are compliant with the University travel policy.</td></tr>
<tr><td>Software</td><td>The software is necessary for the direct benefit of the project.</td><td>Fair market value net of any educational discounts for which the University or Foundation may qualify.</td></tr>
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