

Guidelines for Cost Sharing: Key Ideas for the Dean's Offices

Item	Section(s)	Key Idea
A.	1.1, 1.3	Cost sharing may be required in some cases, but there are drawbacks for the university and the principal investigator. The university seeks to minimize cost sharing whenever possible.
B.	1.2	Effort is not the same thing as cost sharing, and an effort commitment is not the same thing as a cost sharing commitment.
C.	1.4	All cost sharing regulation is derived from the federal Office of Management and Budget (OMB) circulars. The university applies the standards for federal projects to all sponsored projects, regardless of whether the sponsor is a federal agency.
D.	1.5	Non-compliance brings the risk of a variety of penalties from the sponsor, up to and including the suspension or termination of awards.
E.	2.1	Voluntary committed cost sharing is discouraged, although there are instances in which it will be appropriate to provide voluntary committed cost sharing.
F.	2.2	There are alternatives to voluntary committed cost sharing, including offering university resources without making a specific and quantifiable commitment.
G.	2.3	Cost sharing should be reviewed at the time of proposal submission or when a change is made. Final approval of cost sharing resides with the dean or director.
H.	2.4	If cost sharing must be provided, there are preferred mechanisms based on two criteria: (a) Is there a new cost to the university? (b) Is there a significant burden for documentation or audit?
I.	2.5	All cost sharing contributions should be explicitly identified in the proposal budget.
J.	3.2	When an awarded amount is less than the proposed budget, cost sharing contributions are not reduced unless specifically approved by the sponsor.
K.	2.7, 3.3	The principal investigator is expected to identify cost sharing items, identify a funding source for each, and seek approval for cost sharing via the dean's or director's office.
L.	3.1, 4.2	A cost sharing commitment can be created during the execution of a project when there are changes to the sources that pay for committed effort.
M.	4.1	Generally, charging salary to a sponsored project instead of cost-sharing effort is permissible. However, another project expense must be cost shared to meet the project's overall cost sharing commitment.
N.	4.3	A cost sharing commitment cannot be changed without prior approval from the sponsor.
O.	5.1	Colleges and schools may wish to create forms and formal processes for submitting and reviewing requests to cost share.