

ORA-00-01.01 Definition of Cost Sharing

Federal statute or agency regulations sometimes require that the University share in the cost of a sponsored research project. The University contribution to such a project is referred to as “cost sharing”. In general, cost sharing and matching represent that portion of project or program costs not borne by the sponsor. Cost sharing can be in the form of a cash contribution or an in-kind contribution.

- Cash Contributions represent the University’s cash outlay, including any money contributed to the University by non-Federal third parties. **The cost of faculty and staff time contributed to a project is considered a cash contribution.**
- In-Kind Contributions represent the value of all noncash contributions, including services and property, provided by the University and/or non-Federal third parties.
- Mandatory Committed Cost Share is provided when sponsor guidelines explicitly require the University to share in the cost of a sponsored research project. Mandatory Committed Cost Share is quantified in the sponsor budget, is tracked by the Controller’s Office, is reported to the sponsor, and is auditable.
- Voluntary Committed Cost Share is provided when there is no requirement for the University to share in the cost of a sponsored research project. Voluntary Committed Cost Share is quantified in the sponsor budget, is tracked by the Controller’s Office, is reported to the sponsor, and is auditable. **The use of Voluntary Committed Cost Share is highly discouraged.**
- Voluntary Uncommitted Cost Share is provided when there is no requirement for the University to share in the cost of a sponsored research project. Voluntary Uncommitted Cost Share is not quantified in the sponsor budget, is not tracked by the Controller’s Office, is not reported to the sponsor, and is not auditable.

ORA-00-01.02 Regulations Regarding Cost Sharing

All matching contributions, both cash and in-kind, must adhere to the following criteria as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) §306:

1. Are verifiable from the non-Federal entity’s records;
2. Are not included as contributions for any other federally funded award;

3. Are necessary and reasonable for proper and efficient completion of project or program objectives;
4. Are allowable under §200.306, Subpart E—Cost Principles;
5. Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
6. Are provided for in the approved budget when required by the Federal awarding agency; and
7. Conform to other provisions of 2 CFR 220 §200.306.

ORA-00-01.03 Reason for Policy

The Office of Research Administration (ORA) is responsible for ensuring that cost sharing on sponsored projects is proposed, managed, and reported in a manner consistent with and conforming to the applicable requirements found in the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards (2 CFR 200).

ORA-00-01.04 Policy

University of Akron's policy only offers cost sharing in a proposal when it is a requirement of the Request for Proposal or the Program Announcement. There are several reasons for this:

1. If University resources are committed to a project unnecessarily, then they are not available for an instance when cost-sharing is required;
2. Cost sharing can have the effect of eroding an institution's future Facilities and Administrative (F&A) cost rate;
3. All cost-sharing, even voluntary, must be tracked and accounted for in the University's accounting records and leaves the University open for audit concerns if not addressed properly;
4. Certain faculty members who have many awards could become over committed, resulting in an inability to substantiate the promised levels of effort.

The sponsoring agency's program guidelines typically indicate whether or not cost sharing is mandatory for a specific proposal submission. Since documenting cost sharing is a time consuming process, efforts are made not to offer either voluntary or mandatory cost sharing that is difficult to document. Whether it is mandated or voluntary, budgeted cost sharing must be documented in the pre-award phase of a project by the Principal Investigator.

ORA-00-01.05 Acceptable Cost Sharing Items

Cost sharing or matching may consist of the following cost elements used to further project objectives. This list is not all-inclusive. Additional guidance on allowable items of cost share can be found in 2 CFR 200.306:

1. Salaries of UA faculty or staff who are paid by the University, and who devote a percentage of their compensated time to a sponsored project, without receiving reimbursement from a sponsor. Faculty on 9-month contracts can only cost share academic year time;
2. Fringe benefit costs associated with contributed effort as described in item 1;
3. Tuition remission for a graduate student whose stipend is charged to a sponsored program;
4. Unrecovered Indirect Costs, including cost sharing or matching, but only with the prior approval of the funding agency. Unrecovered Indirect Costs means the difference between the amount charged to the award and the amount which could have been charged to the award under the University's federally negotiated indirect cost rate.
5. Values for University contributions of services and property. These values must be established in accordance with cost principles of Subpart E—Cost Principles of 2 CFR 200 §306.
6. Other direct costs, such as supplies, equipment, or travel that are paid for from non-university funding sources;
7. Project costs financed by cash contributions by the recipient, or by cash donated to the recipient by third parties;
8. Project costs represented by services and property donated by third parties (non-Federal public agencies and institutions, private organizations, and individuals).

ORA-00-01.06 Principal Investigator's Responsibility

Responsible for representing cost sharing correctly in the budget and the scope of work for each sponsored program in accordance with University and federal policies, and for identifying University or third-party resources to be used to meet cost-sharing commitments. Upon award, PIs are responsible for ensuring that cost-shared commitments are fulfilled and that cost-shared expenses are posted to the correct accounts.