

Cost Sharing Policy – Draft	RA-0004
Last Reviewed/Revised: 04/2019	Approved:

Cost Sharing or Matching - Cost sharing or Matching means the portion of project costs not paid by sponsor funds. Cost sharing can be actual dollars or in-kind contributions to support a project (such as the value of tuition waivers or salaries). Cost sharing represents a legal commitment to the University to provide resources to a sponsored agreement, and is subject to audit.

Mandatory Cost Sharing - Cost sharing that is part of the proposal budget and is mandated by the sponsoring agency. This can be in the form of a specified dollar amount or a certain percentage of total.

Voluntary Committed Cost Sharing - Cost sharing that the University contributes to a project by its own initiative and is included in the proposal budget or award. Once committed, this amount becomes a legal obligation on the part of the University.

Voluntary Uncommitted Cost Sharing - Cost sharing that is not committed or budgeted for in a sponsored agreement. It need not be tracked for cost accounting purposes or reported to the sponsor, and if it arises from faculty or other personnel effort, it is excluded from separate identification in effort reporting. Voluntary Uncommitted Cost Sharing most commonly results from a cost overrun on a project or from research efforts which is over and above that committed and budgeted for in a sponsored agreement. Another example would be the faculty oversight of student practicum where the specific percentage of effort for the faculty's time is not tracked on an individual project basis but is part of the faculty member's overall teaching responsibility.

University Policy

Any of the aforementioned types of cost share should only be provided when required by the sponsor. Because cost sharing typically involves use of departmental and/or college funds, department heads and/or deans must approve cost share in proposals and may impose limits on the amount of cost sharing. The University also reserves the right to imposed cost sharing limits on proposals as situations warrant

The University will provide cost sharing in only those circumstances where the agency or specific program requires that cost share be provided and departmental and/or college support is insufficient. Cost sharing by the University is only in proportion to the distribution of F&A dollars collected under the F&A distribution policy in place at that time. Except under unusual circumstances, the University will not provide cost share dollars in excess of the F&A collected and retained by the University. If an agency allows F&A costs and requires cost sharing, then waiver of F&A costs is not an acceptable method of providing cost share.

When cost sharing or matching is accepted by the sponsor, it becomes a commitment of the University. Throughout the term of the project, the Principal Investigator and their college Expert Business Office (along with oversight provided by the Office of Sponsored Programs and the Financial Services Department) must maintain sufficient documentation to substantiate the

actual cost sharing contribution in compliance with governmental regulations regarding allowability, allocability, and reasonableness. When cost sharing expenditures are less than that agreed in the award document, a loss or return of project funds to the sponsor may result. In these instances, the principal investigator's department and/or college are required to cover the deficit.

Cost sharing must meet all of the following criteria:

- Verifiable from the departments accounting records, including appropriate documentation for in-kind cost sharing;
- Necessary and reasonable for proper and efficient accomplishment of project objectives;
- Represent types of charges that would be allowable under the applicable cost principles and institutional policy;
- Provided for in the approved budget when required by the Federal agency;
- Expended during the sponsored agreement project period;
- Not paid by the federal government under another assistance agreement (unless the agreement is authorized by federal law to be used for cost sharing; and
- Not included as contributions for any other sponsored agreement.

SPH Cost Sharing Guidelines

The SPH will provide cost sharing in unusual circumstances where cost sharing is required for the completion of a project and is in line with the academic framework and resources of the department.

The SPH will not approve of any proposals that include cost sharing without the following documentation:

- A memo signed by the PI's department chair or dean, indicating their approval for the cost share from departmental / school resources
- This memo should include, at a minimum, the following:
- A statement from the department chair or dean indicating their approval
- PI name
- Title of project
- Name of funding agency
- Project Period
- Cost share detailed budget
- Signature(s)

Related Resources:

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Cost Sharing or Matching (2 CFR 200.306)

<https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-sec200-306>

WVU-FS-39 COST SHARING/MATCHING OF SPONSORED PROJECTS POLICY

CONTACT: Shonnette Kingston
WVU School of Public Health
304.293.2503; shonnette.kingston@hsc.wvu.edu

<https://financialservices.wvu.edu/policies/cost-sharing-matching-of-sponsored-projects-policy>

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WVU School of Public Health
304.293.2503; shonnette.kingston@hsc.wvu.edu