

Policy 1306 Cost Sharing on Sponsored Projects

Responsible Office	Office of Research Administration	Effective Date	01/01/07
Responsible Official	Executive Director, Office of Grant and Contract Administration Director, Office of Grant and Contract Finance Administration	Last Revision	9/13/11

Policy Sections	2
1306.1 Costs Acceptable for Cost Sharing.....	2
1306.2 Cost Sharing in Proposal Development, Accounting and Reporting.....	2
1306.3 Identifying Cost Sharing	2
1306.4 Responsibility for Accounting for Cost Sharing.....	2
1306.5 Treatment of Voluntary Uncommitted Cost Sharing.....	3

Scope

This document sets forth the University's policy on cost sharing and in-kind/matching on all externally funded sponsored projects.

Policy Statement

Yale University provides only the minimum amount of cost sharing necessary to meet sponsors' requirements and discourages voluntary committed cost sharing. Cost sharing can be of the following types, mandatory, voluntary committed, voluntary uncommitted, or in-kind/matching. Mandatory, voluntary committed cost sharing and in-kind/matching must be identified, administered, and accounted for consistently throughout the University.

Purpose of the Policy

This document establishes requirements for the identification, funding, accounting and reporting of mandatory, voluntary committed cost sharing, and in-kind/matching requirements associated with sponsored projects.

Definitions

Cost Sharing

A portion of total sponsored project costs not funded by the sponsor.

Mandatory Cost Sharing

Funding, either required by the terms and conditions of the award or by federal statute, that requires Yale to contribute toward the project as a condition of receiving the award.

Voluntary Committed Cost Sharing

A cost associated with a sponsored project, which was identified in the proposal, but was not required or funded by the sponsor. Some common examples include:

- A percentage of effort of faculty or senior researchers included in a proposal budget or stated in the text of the proposal for which compensation was not requested; and
- The purchase of equipment for the project, identified in the proposal, for which funds have not been requested.

Voluntary Uncommitted Cost Sharing

A cost associated with a sponsored project and not funded by the sponsor, which was not committed in the proposal or in any other communication to the sponsor. This includes effort of faculty or senior

researchers that is over and above that which is committed and budgeted for in a sponsored agreement. Some common examples include:

- Donated faculty effort on a sponsored project over and above the effort identified in the proposal or award; and
- Academic year effort on a sponsored project for which only summer salary was proposed, if the effort was not listed either on the budget page or in the body of the proposal.

In-kind/Matching

The requirement by some sponsors that grant funds be matched in some proportion with funds from another party, either from the University or another sponsor. Matching requirements may be in the form of actual cash expenditure of funds or may be an “in-kind” match, which is the value of non-cash contributions to the project. In-kind or matching contributions made by a party other than Yale require documentation from that third party supporting the use of the funds as in-kind/matching and may require a certification of fair market value.

Policy Sections

1306.1 Costs Acceptable for Cost Sharing

Costs and in-kind contributions, like other costs to the project, must be allowable, allocable, reasonable, and treated consistently.

In addition, according to 2 CFR Parts 215 and 220 (OMB Circular A-110), cost sharing on federal awards must meet the following criteria to be acceptable:

All contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria:

- The costs are allowable in accordance with 2 CFR Parts 215 and 220 (OMB Circular A-21);
- Are verifiable from the recipients records;
- Are not included as contributions for any other federally-assisted project or program;
- Are necessary and reasonable for proper and efficient accomplishment of project objectives;
- Are not paid by the Federal Government under another award, except where authorized by federal statute to be used for cost sharing or matching; and
- Are provided in the approved budget when required by the federal awarding agency.

1306.2 Cost Sharing in Proposal Development, Accounting and Reporting

All cost-shared expenses must be treated in a consistent and uniform manner in proposal preparation and in the financial accounting and reporting of these expenses to sponsors.

1306.3 Identifying Cost Sharing

The source of funding for mandatory or voluntary committed cost sharing or required in-kind matching must be approved by the department chair or other appropriate university administrator and must be clearly indicated on the proposal summary form.

1306.4 Responsibility for Accounting for Cost Sharing

The principal investigator and departmental business office are responsible for maintaining records of all project related costs, including mandatory and voluntary committed cost sharing.

1306.5 Treatment of Voluntary Uncommitted Cost Sharing

Voluntary uncommitted cost sharing need not be identified or reported to the sponsor.

Related Information

[Policy 1316](#): Effort Commitments: Managing Effort Associated with Sponsored Projects

[Policy 1315](#): Effort Reporting: Certifying Effort on Sponsored Projects

[Procedure 1306](#) Cost Sharing on Sponsored Projects

ORA Important Update: [Voluntary Committed Cost Sharing](#)

[2 CFR Parts 215 and 220](#) (OMB Circulars A-21 and A-110)

Contacts

Subject	Contact	Phone
Cost Sharing in Proposals	Office of Grant and Contract Administration (GCA)	785-4689
Cost Sharing Accounts	Office of Grant and Contract Financial Administration (GCFA)	785-3630
Reporting Cost Sharing to the Sponsor	Office of Grant and Contract Financial Administration (GCFA)	785-3630

Roles and Responsibilities

Principal Investigator

- Commit to cost sharing only when required by sponsor guidelines.
- Receive approval from the chair regarding any cost sharing commitments.
- Meet cost sharing commitments.

Departmental Business Office

- Properly charge and account for mandatory and voluntary committed cost sharing.
- Appropriately identify, administer and report on cost sharing.

Grant and Contract Administration (GCA) and Grant and Contract Financial Administration (GCFA)

- Provide guidance to Business Offices and PIs on the appropriate use and treatment of cost sharing.

Revision History

Revised September 13, 2011. Posted as a new Policy on January 1, 2007.

The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.
