

Institutional Guidelines for Cost Sharing/Matching of Sponsored Projects

PURPOSE

The purpose of this document is to provide guidance to ensure that the University properly accounts for cost sharing/matching expenditures and does not overburden department and/or college resources and facilities and administrative (F&A) recovery.

This policy applies to all units and regional campuses of West Virginia University, and all projects submitted by the West Virginia University Research Corporation (WVURC).

DEFINITION

Cost sharing is that portion of a sponsored agreement related to cost that is contributed by parties other than the primary sponsor and not directly charged to sponsored agreement account(s). Cost share 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 by the University to provide resources to a sponsored agreement, and is subject to audit.

Three types of cost sharing are as follows:

- **Mandatory Cost Sharing** is 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, a certain percentage of total costs, or in-kind.
- **Voluntary Committed Cost Sharing** is cost sharing that the University contributes to a project on 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** is 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 are over and above that committed and budgeted for in a sponsored agreement. Another example would be the faculty oversight of student practicum's 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.

GUIDELINES

Any of the aforementioned types of cost sharing 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. OSP and the WVURC also reserve the right to impose cost sharing limits on proposals as situations warrant.

The WVURC will provide cost sharing only in 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 WVURC 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 WVURC will not provide cost share dollars in excess of the F&A collected

and retained by the Corporation. 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 legal commitment by the University. Throughout the term of the project, the Principal Investigator and their college EBO (along with oversight provided by OSP and FARA) must maintain sufficient documentation to substantiate the actual cost sharing contribution in compliance with governmental regulations, primarily the Office of Management and Budget (OMB) Circulars A-21 and A-110 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;
- Represents 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.

PROCEDURE

The cost sharing procedure development rests with the Financial Affairs and Research Accounting (FARA) and the Office of Sponsored Programs (OSP). Please refer to attached procedure.

RESPONSIBILITIES

All employees must comply with this policy. It is the responsibility of the Dean or Director to implement and maintain this policy within their college. Responsibility for resolution of issues that arise regarding this policy rests with Financial Affairs & Research Accounting and the Office of Sponsored Programs in consultation with the appropriate dean.

Approved:  05-11-06
Vice President for Administration & Finance Date

Approved:  5-16-06
Vice President for Research & Economic Development and Date
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