Purpose

This policy has been developed:

A. To provide guidance regarding the circumstances in which cost sharing is permitted by the University and requirements set forth in federal regulations (Office of Management and Budget (OMB) Circulars A-110 and A-21), requirements of sponsoring agencies and the policies of the university, including what kind of services, expenditures, or assets may be cost shared.

B. To provide information to the University community regarding the contractual, financial, and administrative implications that result from the commitment to cost share.

C. To establish procedures for reporting on cost shared commitments and expenditures.

Definitions

Cost Sharing

Cost sharing is a commitment of University resources or funding that supplements externally sponsored projects. Mandatory cost sharing is that which is required by the sponsor and also quantified and committed in the proposal. Voluntary committed cost sharing is not formally required by the sponsor but is committed in the proposal and becomes mandatory once the award is made, requiring administrative tracking and reporting. These costs are not reimbursed by the sponsor or charged to the sponsored project and therefore must be supported by University funds.

Committed Cost Sharing

A contribution of effort or other costs, which are quantified in the proposal narrative, budget, budget justification, or in the award document. Committed cost sharing may be either mandatory or voluntary.
Effort Reporting

The time and effort certification by a person recorded on a Personnel Activity Report (PAR) that is designed to substantiate effort directly charged and/or committed to federally sponsored projects as required by Office of Management and Budget (OMB) Circular No. A-21, Cost Principles for Educational Institutions. The requirements for effort reporting are stated in Campus Administrative Policy 300-20.

Mandatory Cost Sharing

Sponsor required participation in the costs from other sources and a commitment by the University to meet this requirement. This requirement may specify either a minimum fixed percentage of other funds or a level of other participation that has been negotiated between the University and the sponsor.

Primary Department

The department that submits a research proposal and that is responsible for the administration of a sponsored activity.

Secondary Department

A department that has made a cost sharing commitment to a primary department in the form of faculty, staff or other personnel time and expense or nonpayroll expense.

Uncommitted Cost Sharing

Faculty- or senior researcher- donated time above that which is agreed to as part of the award. Voluntary uncommitted cost sharing does not require documentation or reporting and is excluded from the effort reporting requirement.

Voluntary Committed Cost Sharing

Quantified effort that is neither required nor paid for by the project sponsor but which is committed to a sponsored project. Voluntary committed cost sharing may occur in three ways:

1. Resources identified and quantified in the proposal narrative, budget, or budget justification
but not required by the sponsor. A common example of voluntary committed cost sharing is quantification by a faculty member of a percentage of effort that exceeds the corresponding request for funding.

2. Change by a PI of the source funding for effort on an award to substitute other funds for the sponsored award fund. The original amount of committed effort remains the same, but the PI has voluntarily substituted another fund source.

3. Compliance by a PI with policies requiring minimum effort on a sponsored award, without charging that effort to the award.

Policy

Cost sharing commitments on sponsored project proposals or awards should be limited to situations where it is in the best interest of the University. The interest of the University should be considered in terms of the value of the endeavor to the overall mission of the university and the extension of its scientific knowledge base. Mandatory cost sharing policy of the sponsor or the University's determination that such commitments are necessary to ensure the success of specific competitive proposals may be considered, but should not be the sole or over-riding determiner in concluding that the commitment is in the best interest of the university. Principal Investigators and departments should refrain from making commitments to cost share whenever possible.

Responsibilities

A. Vice Chancellor for Research and Executive Vice Chancellor and Provost
   - Approving or denying requests for central campus funding for mandatory cost sharing

B. Department Chairs, Organized Research Unit Directors, and Deans
   - Providing their consent/concurrence on requests for central campus funding for mandatory cost sharing.
   - Approving or denying requests for departmentally funded cost sharing by signing the Proposal Review Form.
   - Ensuring that adequate space and infrastructure are available to conduct the project with the proposed cost share.
   - Providing a statement or letter verifying that the cost sharing can be honored.

C. Principal Investigators
   - Limiting the inclusion of cost sharing commitments in proposals to situations where it is in the best interest of the University.
   - Ensuring funds and resources being committed for cost sharing are adequate and available at the time of the proposal submission.
   - Obtaining proper approvals regarding any cost share commitments.

D. Departmental Administrators
   - Advising Principal Investigators on the University's cost sharing policy and procedures.
   - Ensuring that cost sharing commitments, when appropriate, are properly included in proposals and recorded on the Proposal Review Form.
• Tracking and reporting of cost sharing commitments.
• Providing the certified cost sharing contribution on the Financial Report to Contracts and Grants Accounting (CGA).
• Retaining all documentation substantiating cost sharing expenditures in accordance with University record retention policies.

E. Office of Sponsored Research

• Reviewing proposals for cost sharing commitments for compliance with University policies and procedures.
• Submitting proposals with cost sharing to the appropriate sponsoring agency.
• Providing guidance to departmental administrators on the Universtiy’s cost sharing policies and procedures.

F. Controller’s Office - Contracts & Grants Accounting

• Providing guidance and training on federal regulations, sponsor terms and conditions, and University policies and procedures regarding cost sharing.
• Examining awards for cost share commitments and ensuring that any cost share commitments are properly reflected in the UCSF Financial System.
• Reviewing the cost shared expenditures on the Financial Reports submitted by campus departments.
• Reporting cost sharing to sponsors according to the sponsor requirements and the terms and conditions of the sponsored agreement.

Related Policies

• 300-19 - Expenditures of Extramural Funds [3]
• 300-20 - Effort Reporting of Federally Sponsored Projects [4]

References

• Clarification of OMB No. A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs [6]
• General University requirements for preparing cost sharing records and reports are found in UCOP Accounting Manual, Chapter A-000-7, “Official Documentation Required in Support of University Financial Transactions,” Section II. J., “Cost Participation on Sponsored Projects?” [7]
• Office of Management and Budget (OMB) Circular Nos.:
  ○ A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations [9]. See Section____.23.
  ○ A-133, Audits of States, Local Governments, and Non-Profit Organizations [10]
• UCSF Controller’s Office Cost Sharing Procedures [12]. See Section C. Special Considerations.
• University of California, Office of the President, Contract and Grant Manual, Chapter 5, Cost Sharing