

## **SDSU Research Foundation Cost Sharing Policy**

### **PURPOSE**

The purpose of this policy is to provide direction regarding the inclusion of cost sharing in proposals and the reporting cost sharing on sponsored programs.

### **DEFINITIONS**

When federal statute or agency regulations require that the university share in the cost of sponsored projects, the university contribution is referred to as “cost-sharing.” The terms “cost sharing”, “matching” and “in-kind” are often used interchangeably. In general, cost sharing represents that portion of project or program costs not borne by the sponsor (generally the federal government).

Mandatory Committed Cost Sharing is required by statute or law and is explicitly described in the notice of funding opportunity and specifically included in the proposal document.

Voluntary Committed Cost Sharing are contributions that are not required in the notice of funding opportunity but are specifically offered in the proposal budget, budget justification or letters of support and become a binding requirement of the award, requiring documentation.

Voluntary Uncommitted Cost Sharing are contributions that are not included in the proposal or identified on the notice of award. This type of cost sharing is not tracked or reported to sponsor agencies. If this type of cost sharing is used to meet a sponsor requirement, such as a PI effort obligation, documentation requirements apply.

Cash Contributions represent the recipient's (SDSU, the Campanile Foundation, or SDSU Research Foundation) cash outlay, including the money contributed to the recipient by non-Federal third parties.

In-kind Contributions represent the value of all noncash contributions, including services and property, provided by the recipient and/or non-Federal third parties.

### **POLICY**

It is the policy of the Research Foundation and SDSU to offer cost sharing in a proposal only when it is a requirement of the request for proposal or the program announcement. Federal regulations (2 CFR 200.306) state that federal agencies must explicitly describe the criteria for cost sharing requirements that will be used as a factor in determining receipt of an award in the notice of funding opportunity. Offering cost sharing when not required commits university resources to a project unnecessarily, making them unavailable for instances when cost-sharing is required. Excessive or unnecessary cost sharing can also have the effect of reducing an institution's facilities and administrative (indirect) cost rate. In addition, all cost-sharing, (mandatory and voluntary), must be tracked and accounted for in the Research Foundation's accounting records which is an expensive and labor intensive process and leaves both SDSU and

the Research Foundation open for audit concerns if not addressed properly. Finally, faculty members who have many awards and offer effort as cost sharing could become over committed, resulting in an inability to substantiate the promised levels of effort.

If offered in a proposal all matching contributions, both cash and in-kind, must adhere to the following criteria required by OMB Uniform Guidance, Subpart D (2 CFR 200.306):

1. Are verifiable from the recipient's records;
2. Are not included as contributions for any other Federal award;
3. Are necessary and reasonable for accomplishment of the project or program objectives;
4. Are allowable under the applicable cost principles (2 CFR 200, Subpart E), or other sponsor regulations if the sponsor is non federal);
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 purposes can be applied to cost-sharing or matching requirements of other Federal programs;
6. Are provided for in the approved budget when required by the sponsoring agency;
7. Conform to other provisions of 2 CFR 200.306, Subpart D, as applicable.

## **RESPONSIBILITIES**

The Foundation's Sponsored Research Development Department insures that the proposal budget reflects the only the level of cost sharing required in the notice of funding opportunity. Since documenting cost sharing is a time consuming process for PIs and Foundation staff, efforts are made not to offer cost sharing which not required or is difficult or impossible to document.

The Sponsored Research Administration Department works with the PI to ensure all cost sharing is adequately documented and source documents are provided. Whether it is mandated or voluntary, budgeted cost sharing must be documented in the post award phase of a project by the Principal Investigator. The Sponsored Research Administration department summarizes the actual cost sharing received, ensures documented cost sharing is reported to sponsor agencies as required and maintains the cost sharing summary and source documentation in the award file.