COST SHARING ON EXTERNALLY SUPPORTED GRANTS

Effective Date: September 1, 2023
Responsible Office: Division of Research and Sponsored Programs
Division: Research and Sponsored Programs

I. PURPOSE/OBJECTIVE
As a recipient of federal awards, Grambling State University must maintain a policy on cost sharing on federal awards. The policy and procedures must be in accordance with the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), Sections 2 CFR 200.306, 200.414, and 200.204 and federal agency policy and procedures as applicable.

II. APPLICABILITY
This policy is applicable to all faculty and staff responsible for administering federal funds as recipients on behalf of the University.

III. STATEMENT OF POLICY
As a recipient of federal funding Grambling State University is required to comply with the Office of Management and Budget Circular Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). According to section 200.306 of the Uniform Guidance, “under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. See also §§ 200.414 (Indirect Costs) and 200.204 (Notices of funding opportunities). Investigators should make certain that voluntary cost sharing is allowed by the sponsoring agency. For instance, voluntary cost sharing is not allowed on National Science Foundation (NSF) awards, unless otherwise stipulated in the RFP.

IV. DEFINITIONS
Cost sharing denotes expenses directly related to a sponsored project but not paid for with agency funding. Cost sharing can be institutional paid expenses, such as salary and fringe benefits, equipment, unrecovered F&A costs, and other related expenses. Unrecovered F&A costs may be included as part of cost sharing or matching only with the prior approval of the awarding agency. Cost sharing can also be provided through contributions from sources outside the University or the agency. Cost sharing toward federally sponsored projects generally cannot include “contributions from any other federally-assisted project or program. The costs must be necessary and reasonable and directly related to the proper and efficient accomplishment of project or program objectives. Cost sharing should be proposed only if the agency requires it as a condition of the application, or cost sharing is necessary to ensure competitiveness of the application.
V. PROCEDURES AND ACCOUNTABILITY

In that the University must document all costs relating to the project and report those cost to the sponsoring agency, cost sharing should be clearly established within the proposal’s budget and budget narrative. When cost sharing is included and the project is subsequently funded, the cost sharing is then considered a binding part of the grant agreement and must be documented along with other grant expenditures. The Principal Investigator must obtain the agency’s approval to change the amount or source of committed cost sharing.

VI. DOCUMENTING COST SHARING

Cost sharing to be committed by the University will be identified and documented at the time the Proposal Transmittal Form is completed. The Principal Investigator must identify from which university department or area sharing is being provided.

Investigators submitting requests for sponsored projects that require cost sharing must indicate the source and level of cost share on the “Proposal Transmittal Document”, and acquire approvals (via processing of the routing form) of the responsible department lead and other designated University administrators prior submission to the agency.

Third Party cost sharing must be documented with a letter from the party contributing the cost sharing. The letter should be on professional letterhead and should be signed by an authorized official from the third-party organization. Cost sharing expenses should be listed and should be actual costs. Property, space, and equipment should be recorded at current fair-market values.

Investigators should consult with the Division of Research and Sponsored Programs and Office of Grants Management when submitting grant or contract requests that involve cost sharing. It is the responsibility of the investigator to ensure that all necessary approvals are obtained prior to the committal of GSU funds or resources.

VII. REVISION/REVIEWED