# Cost Sharing Policy

## I.      Introduction

Concordia University Cost Sharing policy provides clarification and guidance concerning University practices regarding expenditures in conjunction with federal regulations governing allowability of cost-sharing. Mandatory cost sharing may be imposed on the University by a sponsor as a condition of research or training support. Cost sharing obligations must be kept within reason and capable of being fulfilled from acceptable resources available to the Principal Investigator (PI), department, school, or center involved. There must be no doubt concerning the ability of the University to meet the commitment from acceptable resources.

Voluntary cost sharing to the University results in unfavorable financial conditions and is strongly discouraged. A proposal containing voluntary cost sharing that is accepted by the sponsor can be a financial liability, because the University becomes legally bound to adhere to the cost sharing terms and conditions throughout the life of the award. All proposals that contain cost-sharing must be approved by the ORSP and the CFO.

## II.     Criteria for Allowability

Cost sharing involves the commitment of University funds or resources and can constitute mandatory, voluntary, matching, contributed effort and/or in-kind methods. To be considered acceptable as federal cost-sharing or matching costs, contributions to a project must meet each of the following criteria:

   a. Verifiable from University records.
   b. Defined as an acceptable form of cost sharing for that specific project and it cannot share duplicity with any other program.
   c. Necessary and reasonable for proper and efficient accomplishment of project objectives.
   d. Allowable according to applicable cost principles.
   e. Not chargeable to any other grant or contract.
   f. Regardless of the mode of cost sharing used (federal or non-federal), the required University contribution is based on total project cost, not solely on the sponsored contribution.

## III.    Types of Cost-Sharing

1. Matching involves a University contribution of hard dollars or funds specifically appropriated for and allocated to the project. The allocation and billing of project costs are processed according to the terms of the sponsored agreement.

2. In-kind contributions are often encountered in public service-oriented projects, usually involving the contribution of services from outside the University, such as a donation of time. Although the University does not pay for such services, they still require documentation. Records should contain the dates worked and the hours donated by the individual.

The value of such services is calculated at the usual and customary rate for the area unless otherwise specified by the sponsor.

Because the contribution of resources under an in-kind agreement is not under the University's control, much care must be exercised before entering into such agreements. Once operative, in-kind contributions are frequently monitored to ensure that the cost-sharing agreement is fulfilled.

Failure to meet or adequately document in-kind contribution requirements could result in the disallowance of a pro-rated portion of University-incurred costs, which could prove to be detrimental. OSP should be notified immediately if such problems are encountered.

3. The Appropriations Act of the Department of Health and Human Services places a salary limitation on grants and contracts from NIH and SAMHSA (Substance Abuse and Mental Health Services Administration). Under this limitation, the amount of direct salary of an individual is limited to the rate as approved. Individuals charged to these programs earning in excess of the limitations for that fiscal year require a cost sharing commitment to document that the rate does not exceed the limitations.

## IV.    Contributed Effort

While various approaches to cost sharing are often used in combination on a particular project in satisfying a cost-sharing obligation, the most commonly used at Concordia University is contributed effort.

*1. Faculty and Staff Funded by Non-Sponsor Sources*
The University recommends the use of non-federal sources to fund faculty and staff time contributed to the project. The method most frequently used, it is the most practical for record keeping. With the acceptance of a properly annotated personnel action form, cost-sharing dollars are automatically accumulated on the associated expenditure report and embodied in the effort certification.

*2. Documentation of Established Criteria set forth in OMB Circular A-21*
All cost sharing is documented in accordance with established criteria under federal cost principles for educational institutions. Therefore, it is crucial to accurately delineate an individual's participation or involvement on a project in the proposal. This helps to avoid any misunderstandings regarding cost-sharing obligations intended by the University. Specific commitments of effort must ultimately be embodied in a cost-sharing budget and documented in the Time and Effort Report/Certification. Regardless of the selected approach, faculty and staff for whom contributions of effort are volunteered are responsible for awareness of and concurrence with those commitments as they are required to fulfill them.

*3. Effort Must Be Documented through Time and Effort Reports*
All contributions of effort by faculty and staff must be documented and certified through Time and Effort Reports, the only accepted means for activity certification at Concordia University.

## V.    EXCLUSIONS/EXCEPTIONS

Cost sharing practices vary widely between sponsors of all types. Always refer to the award terms and conditions for each individual award.

## VI.    PROCEDURES AND RELATED POLICIES

Monitoring cost sharing effectively requires becoming familiar with various aspects of accounting, personnel, reporting, and additional individual systems used to maintain cost sharing data. This can include, among others, Time and Effort Reporting, Human Resource systems, the University Banner System, and the department's individual systems. Each of these systems is self-contained and also may interface at the same time. Thus, it is impossible to provide a comprehensive list of relationships amongst the many systems. These should be referenced individually. Further information on effort reporting can be found in the following policies: ORSP Time and Effort Reporting