

COST SHARING ON FEDERAL SPONSORED AGREEMENTS



Old Dominion University
Research Foundation

Policy and Procedure

COST SHARING ON FEDERAL SPONSORED AGREEMENTS

Origination Date: March 31, 2007

Effective Date: March 31, 2007

Revision Date: June 1, 2106 (Uniform Guidance effective December 26, 2014)

Reviewed and Reaffirmed: February 23, 2022

Policy Statement

In its capacity as the fiscal and administrative agent for Old Dominion University's sponsored program activities, it is the policy of Old Dominion University Research Foundation that all costs identified as costs shared by the Old Dominion University/Old Dominion University Research Foundation on federally sponsored projects must be: (1) verifiable from University's or Research Foundation's records; (2) necessary and reasonable for proper and efficient accomplishment of the project or program objective; and (3) allowable under the federal cost principles and administrative regulations under 2 CFR 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

Reason for Policy/Purpose

Cost sharing describes the portion of the cost of a sponsored project that is borne by ODU/ODURF rather than by the external sponsor. This policy sets forth the criteria for costs to qualify as cost sharing on federally sponsored agreements, in accordance with federal regulations.

Who Needs to Know This Policy

Principal Investigators (PI's), Co-Investigators (Co-PI's), Faculty and Staff Responsible for Sponsored Research

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Policy/Procedures

Cost Sharing of Direct Costs

Direct costs are those that can be identified specifically to a particular sponsored project, instructional activity, or other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Cost sharing of direct costs occurs when costs are incurred for a sponsored project but paid (funded) from non-federal ODU/ODURF funds rather than from federally sponsored funds.

Facilities and Administrative (Indirect) Cost Sharing

Indirect costs are those costs that are incurred for common or joint institutional objectives and therefore cannot be directly attributed to a particular sponsored project, an instructional activity, or other institutional activity. The applicable indirect cost rate negotiated with ODU/ODURF's cognizant federal agency is the standard indirect rate for all covered federally sponsored agreements. Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with prior approval of the Federal awarding agency. Unrecovered indirect costs means the difference between the amount charge to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated rate.

Criteria for Cost Sharing of Direct Costs

For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contribution meet all of the following criteria:

- a) Are verifiable from the University's or Research Foundation's records;
- b) Are not included as contributions for any other Federal award;
- c) Are necessary and reasonable for accomplishment of project or program objectives;
- d) Are allowable and consistent with the Research Foundation's Policy on Identification and Treatment of Unallowable Costs;
- e) 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 program can be applied to matching or cost sharing requirements of other Federal programs;
- f) Are provided for in the approved budget when required by the Federal awarding agency; and
- g) Conform to other provision of 2 CFR 200.306. Research Foundation's Policy on Identification and Treatment of Unallowable Costs, and other applicable provisions.

Federal regulations do not allow the following types of expenses to be used as direct cost sharing:

- administrative and clerical staff salaries or wages, including associated fringe benefits, or any other costs that are classified as indirect costs according to 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- salary dollars in excess of statutory or regulatory salary caps, such as the National Institute of Health (NIH) salary cap.
- unallowable costs, as defined by 2 CFR 200, subpart E, the Research Foundation's Policy on Identification and Treatment of Unallowable Costs, and other applicable provisions.

Types of Cost Sharing

Mandatory, Committed, and Voluntary Direct Cost Sharing

Cost sharing is classified as either mandatory, committed or voluntary.

- Mandatory Cost Sharing is a firm requirement for cost sharing identified by the sponsor in the program guidelines or other written communication from the sponsor.
- Committed Cost Sharing is an implied willingness for the University or Research Foundation to bear certain project costs contained in the proposal submitted to the sponsor. The commitment is not a requirement imposed by the sponsor.

Both mandatory and committed cost sharing must appear in the proposal and award budget. When an award is made, the University or Research Foundation is required to document that the amounts specified as cost sharing in the budget have actually been provided. Expenditures for mandatory cost sharing must also be included in all the financial reports submitted to the sponsor. Expenditures for committed cost sharing must also be included in the financial reports *if required* by the sponsor. Both mandatory and committed cost sharing necessitate separate tracking in the accounting system, in the effort reporting system (for cost sharing of salaries and wages), and in the indirect cost rate calculation.

Mandatory and committed cost sharing for any sponsored agreement will be accumulated in the University's or Research Foundation's financial system in a separate "account" that is institutionally funded. Cost shared expenditures will be accounted for by actual expense.

- Voluntary cost sharing is neither a sponsor requirement nor a University or Research Foundation commitment but represents additional costs incurred by the University or Research Foundation beyond the levels in the proposal and/or award documents. Voluntary cost sharing is not specifically quantified in the proposal submitted to the sponsor.
- Federal regulations do not require the University or Research Foundation to document voluntary cost sharing.

The University or Research Foundation is responsible for providing sponsors with information to prove that all cost sharing requirements and commitments have been fulfilled. To satisfy this requirement, all mandatory and committed cost sharing on sponsored projects must be tracked in the accounting system and be adequately documented.

Proposals submitted to the Research Foundation must indicate the specific funding source(s) that will be used to fund mandatory and committed direct cost sharing included in the proposal budget.

Forms

Proposal budget sheets require the identification of mandatory and committed cost sharing by budget period. The Proposal Transmittal Form requires the identification of the source of funding for mandatory and committed cost sharing. Appropriate signatures authorizing the commitment must be obtained.

Website Addresses for This Policy

<http://www..researchfoundation.odu.edu>

Contacts

For more information on this policy, please contact John Nunnery, Acting Executive Director 757-683-7210.

Definitions

Mandatory Cost Sharing	A firm requirement for cost sharing identified by the sponsor in the program guidelines or other written communication from the sponsor
Committed Cost Sharing	An implied willingness for the ODU/ODURF to bear certain project costs contained in the proposal submitted to the sponsor. The commitment is not a requirement imposed by the sponsor.
Voluntary Cost Sharing	Neither a sponsor requirement nor an ODU/ODURF commitment but represents additional costs incurred by the ODU/ODURF beyond the levels in the proposal and/or award documents. Voluntary cost sharing is not specifically quantified in the proposal submitted to the sponsor.

Related Information

<https://www.ecfr.gov/cgi-bin/text-idx?SID=96b44b1ea367a2742c88741c81313720&mc=true&node=pt2.1.200&rgn=div5>

Appendices

OMB Clarification Memorandum on Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs

Who Approved This Policy

Old Dominion University Research Foundation Board of Trustees

History/Revision Dates

Origination Date: March 31, 2007

Effective Date: March 31, 2007

Revision Date: June 1, 2016 (Uniform Guidance effective December 26, 2014), February 23, 2022