

# Cost Sharing

Revisited



## Definition

Cost sharing is defined as the portion of a project or program budget that is not borne by the sponsor or sponsors of the project.

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# Reminder: Types of Cost Sharing

- **Mandatory** cost sharing is required by the sponsor as a condition of the award. Ordinarily this requirement will be indicated in the program announcement.
- **Voluntary** cost sharing is not required by the sponsor but is nevertheless offered in the proposal by the investigator.
- **Note:** Cost sharing that is proposed voluntarily by the investigator becomes mandatory (also known as 'voluntary committed' cost sharing) once the award is made.

## “Voluntary” Variations

- **Voluntary 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.
  - For Example: Resources identified and quantified in the proposal narrative, budget, or budget justification but not required by the sponsor.

# Voluntary Cost Sharing



- Typically discouraged by the University
- May still be appropriate under special circumstances
  - When UCB is part of a consortium of institutions that are all pledging cost share
- When used, must be:
  - Reasonable and prudent
  - In line with PIs other commitments of time
  - Compliant with University policy regarding full recovery of costs.
  - Approved by individuals who have authority over the stated source of the cost sharing.

# Cost Sharing Rules

- Cost shared funds must be:
  - Verifiable
  - Related to program objectives,
  - Allowable under the applicable cost principles
  - Shown in the approved budget.
  - Documented/Reported via EFA



## Cost Sharing Rules (cont)



- Cost shared funds cannot be:
  - Committed twice.
  - From another federal award (unless the terms allow)
  - From income earned under the grant unless expressly authorized by the granting agency.
  - Generated outside the project period

## UCB Procedures/Policy

- Central campus cash contributions to cost sharing is only for proposals with mandatory cost sharing requirements.
- UCB cannot provide additional central funding for voluntary, unsolicited cost sharing or for extra cost sharing above the published mandated minimum.
- Only eligible sources of cost sharing can be counted...



## Eligible cost sharing at UCB

- Contributed effort and associated fringe benefits
- Subsidized services offered by shops and cost centers (if less than actual costs)
- Overhead not recovered for cost shared contributions
- Third party contributions (other than federal);

## Eligible cost sharing at UCB (cont.)

- Non-federal or non-state grants or matching gifts raised specifically for the purpose of cost sharing project costs;
- Unrestricted gifts;
- University general funds used to pay for parts of the project such as travel specifically for project needs;
- Approved waivers of overhead recovery...

# Waived IDC for Cost Share

- Waivers or reductions in indirect cost recovery are comparable to direct cash contributions
- Campus policy is to provide central campus contributions to cost sharing by cash contribution rather than by waiver or reduction of indirect cost recovery.
- If granted a vital program waiver, the reduction in overhead maybe used as costing sharing (not for sole purpose of meeting cost sharing requirements.)

# Cash Commitments

The Vice Chancellor for Research and the Executive Vice Chancellor will consider providing a cash commitment toward mandatory cost sharing.

# Criteria Considered

- Adequate space and infrastructure are available
- Project is significant in scope and vital to the campus mission;
- Project includes PIs from more than one department or ORU;
- Other units have already pledged significant cost sharing;
- From a unit that has limited access to extramural funding

## Criteria Considered (cont.)

- Proposed project is pioneering in nature—expected to lead to new fields of research endeavor;
- The request is for seed money—has the potential of fostering new research initiatives and/or opening up new avenues funding;
- The proposed project has been selected to represent the campus in a limited submission competition.

# Requests for Mandatory Cost Share

- One-page summary of the proposed research;
- Statement of how the proposed research meets the criteria described in the campus policy on grant-matching and cost sharing;
- Amount of mandatory cost sharing required by the program as a percentage of total costs and the amount required in dollars;
- Dollar amount requested from central campus funds;
- Statement of how campus cost-sharing funds are proposed to be spent; and
- Summary of all other contributions toward cost sharing for the proposal, including non-cash forms of cost sharing and cash contributions from Departments, Deans, or Directors.

# Decision/Notification

- The Vice Chancellor for Research and the Executive Vice Chancellor and Provost will review requests and make decisions on the allocation of matching funds.
- The Vice Chancellor for Research will notify units of the decision and maintain a database to track matching fund commitments and actual allocations.
- If University funds are committed, units will be asked to prepare and to provide a draft letter of commitment from the Vice Chancellor for Research to the granting agency in support of the research project.



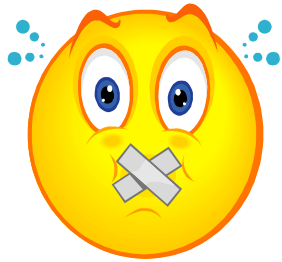
# Review of Cost Sharing Commitments



# Proposal Review Form

- Proposal Routing Form should clearly state any quantifiable cost sharing described:
  - In the proposal and/or on the budget and/or on the budget justification.
- When support for the project described in the proposal is not quantifiable, there is no need to include this information on the PRF.

# PRF Examples



- Professor X is Principal Investigator and requests 25% salary support for this project. She will provide additional support to the project, as needed. **(No cost share effort on the PRF)**



- Professor X is Principal Investigator and requests 25% salary support for this project. She will provide 10% additional support to the project. **(Cost share of 10% should be included on the PRF)**

# More Examples

## No Cost Share Issues

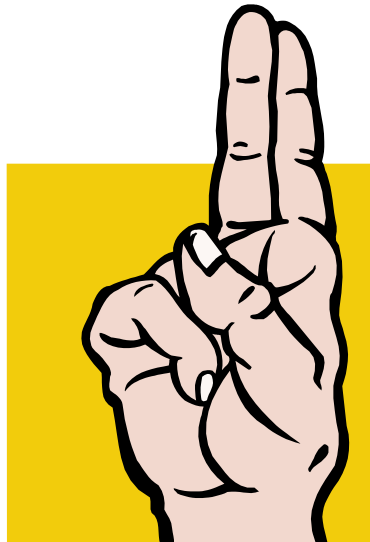
- Professor X will be providing expert advice and consultation to the project, as needed.
- Professor X will provide scientific direction and supervision for the project.

## Cost Share Issues

- Dr. Y's salary is paid by the State of California; she will devote 25% effort toward this project.
- Professor X will provide intellectual direction of the project and co-author publications. Her time (5% effort) will be contributed by the College.

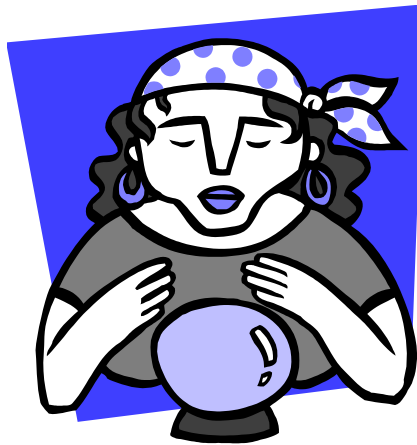
## Actual cash contributions from UCB:

- A letter of commitment should be attached to the PRF signed by the person with the fiscal authority to make this pledge of cost share.



# Current and Pending Support

- **The PI's time commitment to the proposed project expressed in the Current and Pending Support section of a proposal is an unknown. It does not represent a commitment by the University for future cost sharing purposes and need not be included on the PRF.**



# Reporting Cost Share

EFA is responsible for providing cost sharing reports to sponsors when required by the sponsor. In order to do so, departments must provide the necessary information on the Cost Sharing Contribution Report Form and instructions in the close out process for the award unless other time frame is specifically required in the award document.

Note: Even if there is no requirement to send a cost share report to the agency, if the University has committed cost share for an award, the department must submit a cost share report to EFA.

Q&A ????????

