Cost Sharing Policy

Effective Date: December 23, 2022

Supersedes: Cost Sharing Policy, effective December 26, 2014

Policy Review Date: To be reviewed every 3 years from effective date

Issuing Authority: Research Foundation President

Responsible Party: Scott E. Shurtleff, VP Sponsored Programs & Regulatory Affairs

Contact Information: RFCOSponsoredPrograms@rfsuny.org

Reason for Policy

The Research Foundation for The State University of New York (RF) must ensure compliance with sponsor, RF and U.S. federal government requirements for the budgeting, accounting and documentation of Cost Share. The Policy also provides for the RF’s position on the use of Mandatory, Voluntary Committed, and Voluntary Uncommitted Cost Sharing.


In addition, sponsoring agencies, including non-federal sponsors, can identify agency and/or program specific Cost Sharing requirements in their proposal solicitations, program announcements, and award terms and conditions.

Statement of Policy

Sponsored programs proposals submitted through the RF should only include Cost Sharing to satisfy a sponsor requirement as specified in the published funding or program announcement or as otherwise required by the sponsor in writing (i.e. Mandatory Cost Sharing). Voluntary Committed Cost Sharing should not be offered and quantified in a proposal by a campus in the absence of such a sponsor requirement.

Per OMB Memoranda 01-06: Most Federally-funded research programs should have some level of committed faculty (or senior researcher) effort, paid or unpaid by the Federal Government. This effort can be provided at any time within the fiscal year (summer months, academic year, or both). Such committed faculty effort shall not be excluded from the organized research base by declaring it to be Voluntary Uncommitted Cost Sharing.

Allowable Cost Share must not exceed the value of the external funds to be received (must not exceed 1:1 Cost Share).

All Cost Sharing must be approved by the campus CFO or designee. Cost Share sources must be clearly identified in proposal budgets.

All Cost Share from third parties must be contractually committed to the RF prior to being included in a final budget submission. The value of Cost Share from third parties that is non-cash or "in-kind" must be approved by the RF CFO or designee prior to entering into the contractual commitment.

The RF Responsibility for Losses Policy will govern any losses generated by unmet Cost Share obligations.

Please note - Any Cost Sharing that is offered and documented in the proposal (e.g., budget/narrative) and ultimately accepted by the sponsor becomes a requirement of the award (e.g., terms and
conditions) and a binding financial obligation of the campus.

**Cost Criteria**
All Cost Sharing expenditures must follow the requirements as identified in 2 CFR § 200.306 and the other applicable federal government regulations. Cost Sharing expenditures must meet the same requirements that apply to any direct or indirect cost expenditure made on an award. To determine if a Cost Sharing expenditure is appropriate the following cost criteria must be applied:

**Allowable** – The Cost Sharing expenditure must be allowable as specified by the federal government regulations and sponsoring agency.

**Reasonable** – The Cost Sharing expenditure must be reasonable: the nature of the goods or services acquired or applied, and the amount involved, must reflect the action that a prudent person would take under the circumstances prevailing at the time the decision to incur the cost was made.

**Allocable** – The Cost Sharing expenditure must be allocated to the sponsored award or activity based on the benefit derived, cause and effect, or other equitable relationship.

**Consistently Treated** - All costs incurred for the same purpose and in like circumstances must be treated uniformly either as direct costs or as indirect (facilities and administrative or F&A) costs.

**Responsibilities**
The following table outlines the responsibilities for compliance with this Policy:

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<thead>
<tr>
<th>Responsible Party</th>
<th>Responsibility</th>
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| Principal Investigator | ✦ Understand and apply the federal government, sponsor-specific, campus, and RF requirements for Cost Sharing on proposals/awards. Determine the acceptability for including the offer of Cost Sharing in external proposals to sponsors.  
✦ Understand that a Cost Sharing expenditure must meet the same requirements for cost criteria that apply to any direct or indirect cost expenditure made on an award.  
✦ Determine and provide the appropriate resources in relation to the proposal/award budget and project/scope-of-work.  
✦ Consider providing Cost Sharing only when it is mandatory – required by the sponsor in writing. |
| Deans, provosts, department chairs/directors/administrators, institutional officials, operations managers, vice presidents for research, chief financial officers (depending on the campus specific structure) | ✦ Understand and apply the federal government, sponsor-specific, campus, and RF requirements for Cost Sharing on proposals/awards.  
✦ Determine the acceptability for including the offer of Cost Sharing in external proposals to sponsors.  
✦ Review Cost Sharing offered in a proposal to ensure reasonableness with the allocation in relation to the budget and project/scope-of-work.  
✦ Ensure that Cost Sharing offered does not conflict with any Cost Sharing offered on other proposals/awards, and/or with the academic and other institutional responsibilities of the principal investigator.  
✦ Review and submit proposals and accept awards to ensure that Cost Sharing commitments are in accordance with the federal government requirements for cost criteria. |
| Campus sponsored program offices (e.g., pre-award, account establishment, post award): | ✦ Understand and apply the federal government, sponsor-specific, campus, and RF requirements for Cost Sharing on proposals/awards.  
✦ Develop a separate Cost Sharing budget for proposal submission. Determine needed documentation.  
✦ Review and submit proposals and accept awards to ensure that Cost Sharing commitments are in accordance with the federal government requirements for cost criteria.  
✦ Document, monitor, and report Cost Sharing in accordance with the federal government requirements throughout the life of the award – and to ensure the Cost Sharing is met. |
| Campus CFO or designee | ✦ Must approve all Cost Sharing at the campus. |
| RF CFO | ✦ Must approve the valuation of all non-cash or "in-kind" third party Cost Sharing. |
Definitions

Cost Sharing – Is that portion of a sponsored program budget that is contributed by the institution and/or other nonfederal sources – it is not reimbursed by the sponsor. For the purpose of this policy, in accordance with Uniform Guidance, Cost Sharing includes “matching funds.”

Mandatory Cost Sharing – Cost Sharing is expressly required in writing by the sponsor as a condition of the award, specified in the published program announcement, or identified as an award term and condition.

Voluntary Committed Cost Sharing – this occurs when a campus offers and quantifies Cost Sharing in a proposal in the absence of a written sponsor requirement and the proposal is subsequently accepted by the sponsor.

Voluntary Uncommitted Cost Sharing – this occurs where a campus offers non-quantified support of a project. This can be included in the budget narrative: “Cost Sharing offered on this project is considered voluntary uncommitted, the level of Cost Sharing is at the discretion of the recipient unless otherwise stipulated by the award terms and conditions.”

Related Information

OMB 2 CFR Part 200
Research Foundation: Cost Sharing: Guide for Administrators
State University of New York: Faculty Salary Recovery from Sponsored Programs (Document Number 1002)
Memoranda 01-06 -- Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs
Financial Risk Accountability Policy and Procedure

Forms

None

Change History

<table>
<thead>
<tr>
<th>Date</th>
<th>Summary of Change</th>
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<tbody>
<tr>
<td>December 23, 2022</td>
<td>Minor revisions/clarifications to the reason for the policy; and a minor correction to the Cost Criteria section to reflect Uniform Guidance rather than OMB Circular A-21. Added requirement for RF CFO to approve the valuation of all non-cash or “in-kind” third party Cost Sharing</td>
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<tr>
<td>December 26, 2014</td>
<td>Updated for implementation of 2 CFR Part 200.</td>
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<tr>
<td>November 7, 2012</td>
<td>New Policy</td>
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