John Carroll UNIVERSITY

Policy: **Cost Sharing on Sponsored Programs Policy**	Policy No: **S4.1**
Policy Developer(s): **Sponsored Research**	Original Date: May 18, 2018
Last Review Date:	Approval Date: October 17, 2019

I. **POLICY**: Cost share (defined here as *project or program costs not borne by the sponsoring agency but assumed by the John Carroll University* ["the University"]) will be included in proposal submissions only
   - when required by agency policy or guidelines (mandatory), or
   - when commitment within the proposal increases the likelihood of the proposal being funded (committed) and such commitment is not prohibited by the agency, and
   - with approval of the appropriate Chair/Dean.

Any cost share included in a proposal must meet the regulatory requirements, as appropriate, of the funding agency and federal circulars, as well as University policies.

A. Sanctions: Failure to adhere to this policy and procedures may result in the administrative suspension and/or termination of a sponsored program agreement and other appropriate actions for faculty and staff involved in the non-compliance.

II. **PURPOSE**:   The purpose of this policy is to provide direction and the required process for proposing, contributing, and reporting cost share on externally funded sponsored projects. This policy provides guidance to ensure best practices in the fiscal management of grants and contracts at the University and to meet the requirements of 45 CFR 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards and 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and other sponsoring agencies.

III. **SCOPE**: This policy applies to all University faculty and staff involved in the fiscal operations and administration of sponsored research grants and contracts or otherwise with the authority to identify expenses under grants and contracts.

IV. **PROCEDURES**:
   A. Pre-Award Procedures: Cost share utilizes University resources, and therefore must be approved by the appropriate University offices (departments/colleges) at the time the proposal is routed internally and submitted to the agency. Committed cost share must be documented on the Internal Approval Form for Sponsored Projects and in the proposal budget. University resources may be considered cost share only if they meet the following criteria:
   - The cost share amount must be verifiable.
   - It is not included as cost share to another grant or contract account without agency approval.
   - It is necessary and reasonable for the project and includes only expenses directly related to the project.

- It is allowable and allocable under applicable cost accounting principles.
- It is not funded from another grant or contract without agency approval.
- It is incurred within the time frame of the project

B. Post-Award Procedures: After the funding agency awards the proposal to the University, the University is required by Federal guidelines to document mandatory and committed cost share. Cost share expenses must be separately budgeted and recorded.

It is the responsibility of the project director and department to ensure that the appropriate cost share expenses are booked to the proper account in a timely manner.

For each award, the fiscal officer will be responsible for supplying the department and Office of Sponsored Research (OSR) with a valid activity code to document cost share expenditures.

The project director will be responsible for ensuring that allowable cost share expenditures are charged to the budgeted department account and associated activity code in a timely manner. Wages and benefits will be distributed to the activity code through the Payroll Office.

C. NIH Salary Limitations: The National Institutes of Health ("NIH") has placed a limitation on the salary rate which may be charged to NIH grants and contracts. This salary limitation is adjusted by Congressional action on an annual basis. For any employees earning an annualized salary above the limitation, the portion of salary above the cap must be cost shared by the University in order to 1) abide by the NIH policy, and 2) properly document effort expended on the NIH project.

V. DEFINITIONS: terms used within or relating to this policy.
  A. Mandatory Cost Share: Cost share that is required by the sponsor and must be documented. The requirement may be identified in the funding announcement, award terms and conditions, or within the agency's policies or guidelines. The cost share requirement may occasionally be in the form of a cost-limitation (such as the NIH salary limitation which limits the direct salary an individual can receive from an NIH grant).
  B. Committed Cost Share: Cost share that is not required by the sponsor but is included by the University in the proposal submitted to the agency. If the proposal results in an award, the cost share included in the proposal becomes part of the award and is therefore committed by the University.
  C. Voluntary Cost Share: Cost share that is provided during the life of the project by the University but was not committed in the proposal or required by the agency. Voluntary cost sharing does not need to be separately budgeted or recorded in separate activity codes.

VI. CROSS REFERENCES:
  A. University Policies, including but not limited to
    1. Sponsored Research Policies
    2. Bank Account Reconciliation
  B. Other University documents, including but not limited to
    1. Internal Approval Form for Sponsored Projects
  C. Federal Regulations, Statement, and Mandates
    1. 45 CFR 75.306
    2. 2 CFR 200.306

5. HHS Grants Policy Statement
6. HRSA Legislative Mandates in Grants Management for FY 2018
7. NIH Grants Policy Statement
8. NSF Proposal and Award Policies and Procedures Guide

This policy will next be reviewed five years from the date of last review.