

COST ACCOUNTING STANDARDS BOARD DISCLOSURE STATEMENT REQUIRED BY PUBLIC LAW 100-679 EDUCATIONAL INSTITUTIONS	PART I – CONTINUATION SHEET
	NAME OF REPORTING UNIT University of Utah, Salt Lake City, Utah Revision Number 1, Effective Date 09/30/06
Item No.	Item Description

UNIVERSITY OF UTAH

Revised

ATTACHMENT A

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UNIVERSITY OF UTAH  
**GUIDELINES FOR COST SHARING**  
ON SPONSORED AGREEMENTS

**PURPOSE:** The purpose of these guidelines is to provide direction in accumulating and reporting cost sharing on all grants and contracts.

**DEFINITIONS:**

Cost Sharing: Some sponsoring agencies require the University to participate in funding the allowable costs of a project/program. The University’s participation in funding the costs of a project/program is referred to as “cost sharing”. **At the University of Utah the participation will be expressed as cost sharing if it is treated as one of the following:**

1. A percentage of sponsor funded costs or
2. An absolute dollar amount

The term cost sharing is also known as cost matching, cost participation and other similar phrases.

Cost Sharing by Award: Cost sharing required on a specific grant or contract.

Institutional Cost Sharing: Cost sharing arising from statutory regulations based on the grantor and grantee entering into an agreement specifying the percentage or amount of cost sharing that the grantee must contribute. This agreement may be written or made a part of the agency’s specific requirement..

Mandatory Cost Sharing: Cost sharing **that is required** by the sponsor as a condition for making an award and usually refers to an overall percentage of total costs to be contributed. When mandatory cost sharing is included in the award, it will be listed in the Notice of Grant/Contract Award. Mandatory cost sharing requires the University to share in the costs of the project from non-federal/restricted sources.

Voluntary Committed Cost Sharing: Cost sharing **that is not required** by the sponsor as a condition for making an award. The amount of cost sharing is made at the discretion of the principal investigator. When voluntary cost sharing is included as part of the proposal budget it will be listed in an account and information sheet prepared by the Office Sponsored Projects (OSP) and treated in the same manner as mandatory cost sharing. Voluntary cost sharing requires the University to share in the costs of the project from non-federal/restricted sources. **It is the policy of the University to not offer voluntary cost sharing unless there are extenuating circumstances.**

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Voluntary Uncommitted  
Cost Sharing:

University faculty (including senior researchers) provide effort that is over and above that which is committed and budgeted for in a sponsored agreement. Voluntary uncommitted cost sharing should be treated differently from committed effort and should not be included in the organized research base (As described in OMB memorandum M-01-06)

DOCUMENTATION GUIDELINES:

At the University of Utah the cost sharing commitment must be expressed (1) a percentage of sponsor funded costs, or (2) an absolute dollar amount. Generally, the University meets its cost sharing requirement by contributing direct labor, associated fringe benefits and indirect costs if allowed by the agency. Other costs may also be used including supplies, equipment, travel, etc.

Unless waived by the terms of the project/program, **federal cost principles require that cost sharing contributions meet all of the following criteria:**

1. Are verifiable from department/university records (PAR's, invoices, P.O.'s etc.)
2. Are not included as contributions for any other federally-assisted project/program
3. Are necessary and reasonable for proper and efficient accomplishment of project/program objectives
4. Are allowable under applicable cost principles
5. Are not paid by the federal government under another federal award
6. Are provided for in the approved budget
7. The total compensated effort for an individual using effort to meet cost sharing requirements cannot exceed 100%
8. Cost incurred only during the same time period as the award

All cost sharing that is included in the proposal budget and listed in the Notice of Grant/Contract award as mandatory or voluntary committed cost sharing must meet the above criteria for reporting and audit verification.

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**PROCEDURES:**

Cost sharing (by award, mandatory and voluntary committed) must be included in the proposal budget along with the source of funding for the cost sharing (normally these funds will be transferred to a matching project). **It is the University of Utah policy to not offer cost sharing unless it is required by the funding agency or if there are extenuating circumstances requiring its use.**

Cost sharing may be provided by utilization of a principal investigators time and effort above that effort he/she is being reimbursed from the grant or contract. This may also include fringe benefits. Any other individual who is contributing time and effort to the project may also be used as cost sharing. Indirect costs associated with the time and effort may also be included if allowed by the sponsoring agency. As time and effort related to the cost sharing is spent on the project it must be documented and certified by using the University’s Personnel Activity Reporting (PAR) or Time and Attendance (T&A) reporting systems. **It is the principal investigator’s responsibility to assure that all cost sharing commitments have been met and provide appropriate documentation for audit verification when necessary.**

Cost sharing may also be provided by utilization of non-personnel contributions. This includes such items as operational supplies and materials, travel, equipment, etc. All non-personnel cost sharing must be included in the budget. Items purchased must follow normal University purchasing procedures and be used for the purpose of the grant or contract. **It is the principal investigator’s responsibility to assure that all cost sharing commitments have been met and provide appropriate documentation for audit verification when necessary.**

**APPROVALS:**

**It is the responsibility of the principal investigator and department head to provide the source of funding (account number (s)) for the cost sharing commitment.** In the event that the Dean and/or Vice President for Research are also contributing funds for the cost sharing, a specific letter authorizing this commitment must be attached (the dean’s signature on the OFFICIAL DOCUMENT SUMMARY SHEET is sufficient under most circumstances). If the Vice President for Research is providing funding for the cost sharing, approval through the department chair and dean must first be obtained.

**END OF PART**