

Policy:	Cost Sharing on Sponsored Programs		
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Approved Date:	05/18/2018	Reviewed By:	James Krukones, PhD Associate Academic Vice President
Last Revised Date:	n/a	Approved By:	Nicholas R. Santilli, PhD Interim Provost and Academic Vice President

Scope

This policy applies to all John Carroll University faculty and staff involved in the fiscal operations and administration of grants and contracts or otherwise with the authority to identify expenses under grants and contracts.

Policy Statement

It is the policy of John Carroll University that cost share should be included in proposal submissions only:

- When required by agency policy or guidelines (mandatory) or
- Commitment within the proposal increases the likelihood of the proposal being funded (committed) and not prohibited by the agency and
- With approval of appropriate Chair/Dean.

It is, further, the policy of John Carroll University that any cost share included in a proposal must meet the regulatory requirements, as appropriate, of the funding agency, university and federal circulars.

Reason For Policy

The purpose of this policy is to provide direction and 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 John Carroll 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.

Procedure

Pre-Award:

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

Post-Award:

After the funding agency awards the proposal to John Carroll 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 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) 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.

NIH Salary Limitation

The National Institutes of Health (NIH) has placed a limitation on the salary rate which may be charged to NIH grants and contracts. For any employees earning an annualized salary above the limitation, the portion of salary above the cap must be cost shared in order to 1) abide by the NIH policy, and 2) properly document effort on the NIH project.

Definitions

Cost Share: Project or program costs not borne by the sponsoring agency. In order to be included as cost sharing it must be:

- Verifiable;
- Not included as cost share to another grant or contract account without agency approval;
- Necessary and reasonable for the project;
- Allowable and allocable under applicable cost principles;
- Not funded from another grant or contract without agency approval;
- Incurred within the time frame of the project; and
- Federal funds may not be used to cost share federally funded projects without agency approval.

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).

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.

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.

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 actions.

Related Information

[45 CFR 75.306](#)

[2 CFR 200.306](#)

[HHS Grants Policy Statement](#)

[HRSA Legislative Mandates in Grants Management for FY 2018](#)

[NIH Grants Policy Statement](#)

[NSF Proposal and Award Policies and Procedures Guide](#)