



<b>Policy #:</b>	39.05.067
<b>Issued:</b>	October 2001
<b>Reviewed:</b>	
<b>Revised:</b>	December 2014
<b>Section:</b>	39 Research

## Cost Sharing Policy

### **Purpose:**

The purpose of this policy is to define cost sharing and provide guidance to Principal Investigators and Department Administrators on when it is appropriate to include cost sharing in proposals and what their responsibility is to insure compliance with sponsor and institutional requirements.

### **Policy Statement:**

It is Boston Medical Center's policy that Principal Investigators only include cost sharing in their proposals when it is mandated by the sponsor, or in very rare cases if there are compelling circumstances. Under Federal research proposals, voluntary committed cost sharing is not expected. Federal sponsors will not consider voluntary committed cost sharing as a factor during the merit review of applications or proposals, unless it is specified in the funding opportunity announcement. Cost-sharing of expenses must be treated in a consistent and uniform manner when preparing proposals, when negotiating awards, and when accounting for these expenses in the financial reports to sponsors.

The Program Director/Principal Investigator and their Department/Section are responsible for evaluating the workload and budget implications of proposed cost-sharing (either mandatory or voluntary committed) and to ensure that the institution's cost-sharing commitment is met.

The primary department, with which a sponsored program is officially affiliated, is ultimately responsible for meeting and documenting cost sharing commitments. If an application to the sponsor includes any cost sharing, then the Proposal Summary Sheet must specify the funding source by account number that will cover the cost shared expenses. **Federal funds, unless approved by the sponsor, may not be used for cost sharing or matching.** The approval of all reviewers on the Proposal Summary Sheet constitutes their commitment to provide funding immediately upon award.

The notice of grant award should reflect the cost-sharing commitments to the sponsor, including any changes in the programmatic or financial scope of the project that may have occurred during the negotiations. Federal Cost Accounting Standards require that cost sharing be auditable.

### **Application:**

All sponsored projects

**Exceptions:**

Departmental and Donor Restricted Accounts

**Procedure:**

**Pre-Award:** If *mandatory* (sponsor requirement) or *voluntary committed* (Program Director/Principal Investigator quantitatively commits institutional funds) cost sharing is requested in the proposal, the Principal Investigator must indicate on the first page of the Proposal Summary Sheet whether Cost Sharing is requested, and if so, what activity number will cover this expense. The cost shared expenses must also be indicated in the detailed budget. The Chair or Chief of the Department or Division must also sign off on this commitment.

Cost Sharing for Proposed Year			
Direct	<input type="text"/>	If Direct Cost Sharing, list account #(s):	
Indirect	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total	<input type="text" value="\$0"/>	<input type="text"/>	<input type="text"/>

**Post-Award:** When NOGA arrives, the Associate Director, Grants & Contracts reviews the notice of grant award and the grant application to verify that Cost Sharing is required and that a cost share account has been listed.

If cost share is from an existing, non-federal grant or contract, that existing activity number will be used to track cost share. **The Program Director/Principal Investigator and their staff are responsible for managing these cost share accounts.**

All “shared” costs should be expensed to both accounts in proportion to what was designated in the award.

The Research Financial Analysts (RFA) will work with the Department/Divisional project staff to identify and classify cost sharing expenses for invoices and financial reports as required by the sponsor. At close out, the RFAs confirm with the Program staff that the cost share commitment has been satisfied and ensure that the cost share account is zero.

Quarterly, the Business Analyst will run reports from the Grants Management Database for the RFA’s and their managers to identify grants on which Cost Sharing was indicated. The RFA’s should review their report for missing cost sharing dollar and account source data, and follow up with the appropriate research administrators to obtain this data.

If the cost-share obligation is being covered by third party, in-kind contributions, the program director and their staff are responsible for tracking these commitments. No additional accounts will be set up.

### **-Definitions**

**Cost sharing or matching**, is the portion of project costs not paid by the sponsor, but instead covered by the hospital or a third party. **Federal funds, unless approved by the sponsor, may not be used for cost sharing or matching**. **Costs used to satisfy matching or cost-sharing requirements are subject to the same policies governing allowability as other costs under the approved budget.”**

**Mandatory Cost Sharing** is a contribution to a sponsored project or program required by the sponsor as a condition of obtaining the award. Such contributions are binding commitments and must be accounted for in accordance with this policy. Records must be kept of mandatory cost sharing.

**Voluntary Cost Sharing** is a contribution to a sponsored project or program offered by the Principal Investigator or Program Director, but not required by the sponsor as a condition of obtaining the award. Voluntary Cost Sharing is classified as either committed or uncommitted.

- **Voluntary Committed Cost Sharing:** Quantified contributions reflected in the proposal narrative, budget and/or budget justification. **These are binding commitments and must be accounted for**, in any resulting award, in accordance with this policy. These contributions are considered to be “required” cost sharing by the sponsor because they were volunteered as part of the proposal process, and therefore records must be kept.
- **Voluntary Uncommitted Cost Sharing:** Contributions not quantified or reflected in the proposal. These are, therefore, non-binding commitments that do not require documentation or reporting.

**Third party in-kind contributions** means the value of non-cash contributions provided by non-Federal third parties. Third party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

### **Responsibility:**

Principal Investigator  
Department Administrator  
Grants & Contracts  
Research Finance

### **Forms:**

N/A

### **Other Related Policies:**

Allowable Costs (add policy #)

### **References:**

**Guiding Regulations:**

OMB CIRCULAR A-110 (REVISED 11/19/93, As Further Amended 9/30/99) § Section C.23;  
2CFR §200.306 Uniform Administrative Requirements, and Audit Requirements for Federal  
Awards

**Section:** 39

**Policy No.:** 39.05.067

**Title:** Cost Sharing

**Initiated by:** Grants & Contracts

**Contributing Departments:**

N/A