



Boston College

POLICY AND PROCEDURES ON COST SHARING UNDER SPONSORED PROJECTS

Introduction and General University Policy

Boston College (the University) supports and encourages the efforts of its faculty and other member(s) of the University community to obtain external funding for their scholarly and research efforts. Some external sponsors have stated policies on the amount of Cost Sharing they require. There are circumstances in which offering Cost Sharing over the sponsor's required amount may be seen as an enhancement of a proposal. Such cases will be reviewed on a case-by-case basis, and the justification for approval should be in sufficient detail to enable an informed decision. The University should exercise great care to comply with the letter of sponsor requirements because excessive Cost Sharing will have a negative impact on the legitimate recovery of facilities and administrative costs in future years. The University, in deciding the level of Cost Sharing it is able to provide, must frequently balance several factors. The purpose of this policy and procedures statement is to provide guidance and information regarding definitions, processes, and approvals as they pertain to all types of Cost Sharing.

Definitions

Both federal and nonfederal awards can involve a Cost Sharing commitment on the part of the University. Regardless of the sponsor, the University recognizes its obligations to document Cost Sharing as it pertains to sponsored projects. Federal awards are governed by Office of Management and Budget Circulars A-21 and A-110 in which Cost Sharing is generally defined as follows:

Cost Sharing: A portion of the total project or program expenses related to a sponsored agreement that is contributed by parties other than the primary sponsor and not charged to the sponsor.

Mandatory Cost Sharing: Required contributions on the part of the University which are explicitly stated in the sponsor's program announcement and are identified and/or incorporated by reference in the sponsored project award document. If the University offers Cost Sharing in the proposal or application over and above the sponsor's stated requirements and the sponsor incorporates the proposal or application by reference in the sponsored project award document, the offered Cost Sharing becomes mandatory.

Matching: The term matching is often used when a sponsor requires University funds for programs specifically for the purchase of major pieces of research equipment, the creation of specialized research centers, or when the University is required to match the sponsor's funding by a large specified proportion of total project costs (e.g. 1/3 or 1/2 of the total project costs).

Voluntary Cost Sharing: University contributions to a sponsored project which are not included explicitly or by reference in a sponsor's stated requirements, or in a sponsored project award document. Once offered, the commitment becomes binding when an award is made.

In-Kind Contributions: Occasionally contributions from third parties are included in a project budget and are of a nature that a dollar value cannot easily be accorded to the contribution. Examples of in-kind contributions are volunteer services and the temporary loan of equipment free of charge. On those occasions in which a sponsor may require assessing the value of in-kind contributions, the market value of similar goods and services should be used as a reference.

General Principles of Cost Sharing

Cost Sharing can be in the form of effort (expressed in terms of equivalent salaries and benefits), equipment, supplies, other direct costs, facilities & administrative costs (also known as F&A costs, and formerly referred to as indirect costs) reduction/waiver, or in-kind contributions. The following are some general principles concerning Cost Sharing:

- Cost Sharing must be comprised of expenses considered allowable by the sponsor and must be directly related to the project.
- Given limited resources, the University must be careful not to promise more than it can legitimately deliver when an award results from a proposal.
- Cost Sharing for one project cannot also be used as Cost Sharing on another project.
- Federal funds cannot be used as Cost Sharing for another federal project unless specifically approved in writing and in advance by the federal sponsor of the project on which Cost Sharing will be recorded.
- Cost Sharing personnel time must be done on a percentage of effort basis for faculty and professional staff. An individual's total documented effort, including cost-shared effort, cannot exceed 100% of his/her University appointment. Full-time University employees cannot cost-share time he/she may consider "personal time" since such time, if spent on a University project, is considered part of his/her University appointment. Part-time employees may use such time that is over and above their university commitment as Cost Sharing on a University project. Particular care should be taken that such Cost Sharing is properly documented and verified that it is in excess of the part-time employee's university commitment. In the case of mandatory cost-shared effort, the Cost Sharing obligation will specifically appear within the proposal as specified in the sponsor's proposal submission requirements.

- Cost Sharing for equipment should take into account all associated requirements, such as shipping, maintenance, installation and insurance costs. Consideration should also be given to the need for any alterations and renovations that may be associated with the installation of the equipment, as well as any reconversion costs that may be incurred at the end of the project should it be anticipated that the equipment will no longer be needed.
- On rare occasions, the University may reduce or waive F&A costs in the form of Cost Sharing. F&A costs are real costs associated with the conduct of sponsored projects. The University's policy is to fully recover F&A costs on all awards. Exceptions to this policy exist when a sponsor's written policy specifically limits or prohibits F&A cost reimbursement.
- Cost Sharing should normally have both direct and F&A components. The inclusion of F&A costs would follow the normal practice with regard to the Modified Total Direct Cost base in which certain direct costs are exempt from applying the F&A rate.
- If an award contains subcontracts, it may be appropriate to require Cost Sharing from subcontractors in the same proportion as the University provides Cost Sharing in the proposal and prime award budget. The sponsor's requirements should be reviewed carefully with regard to subcontractor Cost Sharing.

Cost Sharing Approvals

All Cost Sharing, whether it is mandatory or voluntary, must receive prior approval from the appropriate University official. If departmental funds are to be used for Cost Sharing, the Dean or Department Chair, or Center/Institute Director approves the commitment. If the Cost Sharing commitment cannot be covered by Departmental/Center/Institute funds, approval must be obtained from the Provost or Vice Provost for Research, as appropriate.

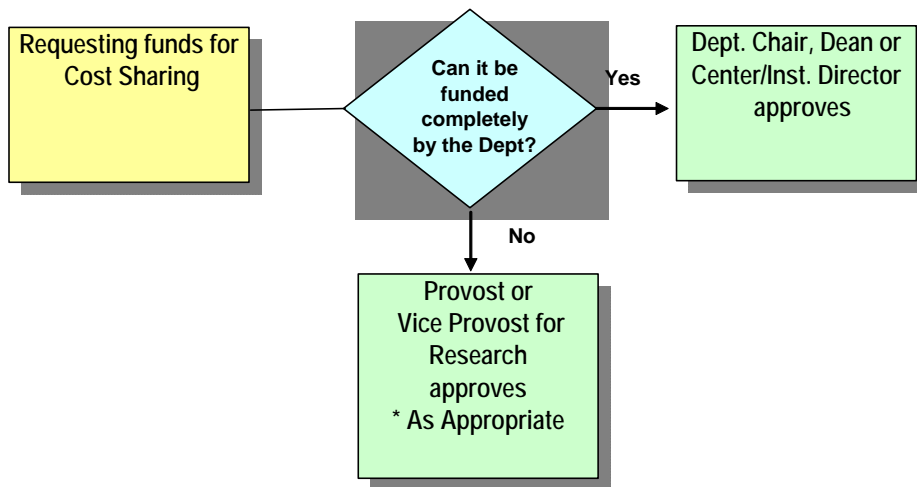
In addition, Cost Sharing in excess of a sponsor's written policies or requirements, even if covered entirely by departmental funds, must be approved by the Vice Provost for Research before a proposal is submitted. Requests for approval of excess Cost Sharing must be made in writing and accompanied by the reasons such Cost Sharing is necessary.

We note that the Vice Provost for Research approves the reduction or waiver of F&A (indirect) costs whether or not it is in the form of cost sharing.

OSP's (Office for Sponsored Programs) Internal Proposal Transmittal Form should be consulted for other specific requirements.

Cost Sharing Approvals

Flowchart



* As appropriate for mandatory

Provost	Vice Provost for Research
Faculty Salaries	Faculty Salaries
Creation of new programs	Cost share in excess of sponsor policy
	Reduction/Waiver of F&A
	Reduction/Waiver of Fringe Benefits
	Construction or renovation
	Other Direct Cost

Mandatory Cost Sharing

Business Process

The Business Process requires collaboration among a number of departments. The proposal transmittal form submitted to OSP should specify whether mandatory cost sharing is required. It also should specify the chartfield string(s) where the cost-share funds will come from. Once OSP receives notification that the proposal has been approved and funded the following will occur:

1. OSP will complete a Cost Share Approval Budget Reallocation Form (CSAF) and email it to the authoritative office/individual for review and approval.
2. The authoritative office/individual will review and revise if necessary the required chartfield string(s) and provide an electronic signature.
3. After the final signature is provided, that office/individual will email the CSAF to the Budget Office.
4. The Budget Office will decrease the department(s) budget, assign cost-share chartfield string(s), electronically sign the CSAF and email the form to OSP.
5. OSP must receive the signed CSAF prior to setting up the project budget in PeopleSoft.
6. OSP will set up the budget and notify the PI.

Authority and Responsibility

Principal Investigator:

Principal Investigators are responsible for:

1. Securing all necessary Cost Sharing and matching funds commitments from their academic units and the Vice Provost for Research or Provost (as appropriate) in accordance with sponsor program requirements.
2. In the case of equipment requests, providing an assessment of similar equipment or resources on campus and also mechanisms for sharing the proposed equipment with other researchers at the University;
3. Maintaining and providing records to explain and certify fulfillment of Cost Sharing commitments.

Note: By signing the University's Proposal Transmittal Form, Principal Investigators accept and acknowledge these responsibilities.

Department Chair (or Dean as appropriate):

Department Chairs are responsible for:

1. Verifying and insuring that the department can and will meet its share of all Cost Sharing commitments (cash and in-kind);
2. Determining that the percentage of faculty or staff time committed as an in-kind cost-sharing contribution is reasonable and allowable;
3. Conducting periodic reviews of Employee Change Requests (ECR) and determining that the total effort expended on sponsored projects and University-related duties by faculty and/or staff does not exceed 100 percent.

Note: Signature of the Department Chair on the University's Proposal Transmittal Form will serve as evidence of this commitment.

School Dean:

Deans are responsible for:

1. Verifying and insuring that academic unit Cost Sharing commitments (cash and in-kind) can and will be met without detriment to other approved instructional and research activities;
2. Verifying all Cost Sharing commitments regarding space renovation within their respective schools.

Note: Signature of the Dean on the University's Proposal Transmittal Form will serve as evidence of this commitment.

Provost:

The Provost is responsible for:

1. Reviewing and approving cost-sharing requests involving faculty salaries and creation of new programs.

Note: Signature of the Provost on the University's Proposal Transmittal Form acknowledges these responsibilities.

Vice Provost for Research:

The Vice Provost for Research is responsible for:

1. Verifying and insuring that all Cost Sharing commitments (cash and in-kind) made by Schools/Departments can and will be met without detriment to research activities;
2. Reviewing and approving Cost Sharing requests and securing Cost Sharing resources above and beyond the resources committed by an academic unit;
3. Determining the necessity and appropriate level of Cost Sharing in the absence of a sponsor's written requirements;
4. Authorizing OSP to notify sponsors of the University's willingness to cost share, when appropriate or required.

Note: Signature of the Vice Provost for Research on the University's Proposal Transmittal Form acknowledges these responsibilities.

Office for Sponsored Programs:

The Office for Sponsored Programs is responsible for:

1. Reviewing program specific guidelines and agency requirements to determine the necessity for Cost Sharing;
2. Verifying the approval of all Cost Sharing commitments (cash and in-kind);
3. Maintaining and providing official university records to explain and certify fulfillment of Cost Sharing commitments;
4. Reporting Cost Sharing to sponsors as may be required in sponsored project award documents;
5. Working closely with the campus community to ensure that the above policies and procedures work effectively for all constituents.