



Cost Sharing on Sponsored Projects (Policy No. 300.0)

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Policy Statement

The University must ensure that cost sharing requirements of sponsored agreements are proposed, approved, accounted for, and reported in a manner consistent with the requirements of the sponsor and the University. Cost sharing can be of the following types: **Mandatory, Voluntary committed, Voluntary uncommitted, Matching and In-kind**. Mandatory, voluntary committed cost sharing, matching and in-kind must be identified, administered and accounted for consistently throughout the University. Only voluntary uncommitted cost sharing does not need to be identified, administered and accounted for.

Federally funded projects must meet the requirements set forth in the Office of Management and Budget (OMB) Circulars A-21 (Sections C, D and J) / 2 CFR 220 http://www.whitehouse.gov/omb/circulars_a021_2004/ and A-110 C.23 / 2 CFR 215 http://www.whitehouse.gov/omb/circulars_a110/ .

➤ *Brown University's Position on Implementing - Cost Sharing on Sponsored Projects*

Brown's objective is to maximize sponsor cost reimbursement to support the continued growth of the research enterprise. Accordingly, the University provides only the minimum amount of cost sharing necessary to meet sponsors' requirements and discourages voluntary committed cost sharing. Some sponsors require institutional Cost Matching on their grants and contracts as a matter of statute, regulation, or policy. Individual solicitations may also indicate a Cost Matching requirement. In these cases, the University follows its long-standing practice of meeting published mandatory Cost Matching requirements for targeted programs.

Brown University does not typically Cost Share on a voluntary basis. However, a voluntary Cost Sharing commitment can be made where the competitive forces and perceived institutional benefit of receiving the award are deemed to be sufficiently strong to warrant the commitment. For both voluntary and mandatory Cost Sharing/Matching, in-kind contributions should always be considered first. An in-kind contribution represents an item of cost for which faculty support is already in place (and, therefore, no new cash outlay is required), such as salary or tuition. Cash Cost Sharing/Matching contributions should only be considered if in-kind mechanisms do not suffice to meet sponsor requirements or competitive needs. A cash contribution represents a new, incremental cost such as for equipment, travel, or additional staff necessary to conduct the sponsored project.

It is prohibited to include voluntary cost-sharing commitments in all components of both solicited and unsolicited National Science Foundation proposals- http://www.nsf.gov/pubs/policydocs/pappguide/nsf11001/gpg_2.jsp. For other funding agencies, voluntary Cost Sharing commitments must be supported by a well justified plan that aligns with the goals of the research or education program and clearly demonstrates the value added by the voluntary cost share commitment.

Purpose of Policy

This document establishes requirements for the identification, approval, funding, accounting and reporting of mandatory and voluntary committed cost sharing, matching, and in-kind requirements associated with sponsored projects. **Cost sharing represents a binding obligation of the University once the award has been granted.**

This Cost Sharing Policy provides information on:

- The definition and types of cost sharing
- The contractual, financial, and administrative implications that result from a commitment to cost share
- The cost sharing approval process, including the circumstances in which cost sharing is permitted by the University
- Allowable sources of funds for cost sharing
- Allowable cost sharing expenditures (i.e., Direct and Facilities and Administrative (F&A) Costs)
- The criteria for allowable and unallowable cost sharing expenditures
- The roles and responsibilities of University departments and offices with respect to cost sharing

Cost Sharing Implications

Cost sharing commitments must be considered carefully as they have broad implications for the University. In addition to reducing the University's ability to maximize its reimbursement from external sponsors, there are negative F&A

calculation and administrative impacts. These impacts are described in greater detail in [Appendix A](#) to this policy document, but include:

- A reduction in the total institutional dollars available for research endeavors.
 - A reduction in the University's future F&A cost recovery (reduced overall F&A cost recovery may lead to a reduction in the University's negotiated F&A rate)
 - An inability to recover F&A costs associated with cost sharing dollars.
 - A legal binding commitment with associated administrative requirements.
 - An auditable commitment upon receipt of award.
-

Cost Sharing Approval Process

All proposed mandatory and voluntary cost-sharing arrangements must be approved by the responsible official before the proposal is submitted to OSP.

- The Principal investigator (PI) should discuss with the Chair and/or Dean the cost-share requirement and identify source (s) of funding.
- Appropriate signature (s) of those responsible for the proposed cost sharing must be obtained on the Cost Sharing Commitment Form. Click [HERE](#) to view the form.
- The proposal is submitted to OSP with cost sharing commitment form attached.

If a sponsor significantly reduces the award budget presented in the original proposal, it may be appropriate to request a reduction in the cost-sharing commitment as well.

Sources of Funds

It is the PI's responsibility to identify all sources of funds for cost sharing during the proposal process.

- Cost sharing is typically funded by tuition subsidy, gifts, operating budgets, or other department designated funds, including in-kind contributions.
 - It may **NOT** utilize funds from another federal award as the source of cost sharing. **Note that an exception is NEH, see here as an example** <http://www.neh.gov/grants/guidelines/HCRR.html>
 - It may include funds from non-federal awards as the source of cost sharing ONLY when specifically allowed by the non-federal sponsor.
 - It may utilize F&A costs associated with the cost-shared direct costs.
 - It may utilize unrecovered F&A cost with prior sponsor approval.
-

Allowable Cost Sharing Expenditures

Cost sharing expenditures must satisfy all of the following criteria (per OMB Circular A-110, Section 2.3) in that they are

- Necessary and reasonable for proper and efficient accomplishment of project objectives.
- Allowable, allocable, reasonable, and consistently treated under applicable federal costs principles (OMB Circular A-21 and conform to other provisions of OMB Circular A-110, as applicable).
- Verifiable from the official University records.

- Incurred during the effective dates of the grant or during the pre-award phase when authorized by the sponsor.
 - Not included as contributions for any other federally assisted project.
 - Not paid by the Federal Government under another award, except where authorized by federal statute to be used for cost sharing or matching. Unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency (A-110, section 23 b).
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Costs that are Not Acceptable to meet Cost Sharing Commitments/Matching

The following costs may not be proposed as Cost Sharing/Matching:

- Costs not deemed to be necessary and reasonable for the proper and efficient accomplishment of project objectives (OMB Circular A-21).
 - Costs that are included and reimbursed through the F&A rate (administrative salaries, office supplies, library expenses, and operations and maintenance expenses).
 - Salary dollars above a regulatory cap (e.g. NIH cap).
 - Costs pledged as Cost Sharing/Matching for another funded project.
 - Costs funded by other sponsored programs, except when specifically allowed by federal or non-federal sponsors.
 - Costs considered unallowable by the University, by the sponsor, or under OMB Circular A-21.
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Definitions

Cost Sharing

A portion of total sponsored project/program costs not funded by the sponsor. Cost sharing is further classified as either mandatory or voluntary:

Mandatory Cost Sharing

- Required by the sponsor
- Identified or quantified in proposal
- Condition of receiving the award

Represents binding commitments that must be captured and documented

Note: Sponsor “encouraged” cost sharing is not required as a condition of receiving an award and does not constitute mandatory cost sharing.

Voluntary Cost Sharing – further classified as either committed or uncommitted:

Voluntary Committed Cost Sharing

- Not required by the sponsor
- Identified or quantified in proposal
- Condition of receiving the award

- Represent binding commitments that must be captured and documented

Voluntary Uncommitted Cost Sharing

A cost associated with a sponsored project / program and not funded by the sponsor, which was not committed in the proposal or in any other communication to the sponsor. These are, therefore, nonbinding commitments that do not require documentation or reporting. Cross Reference A-21 Clarification Memo M-01-06: Treatment of Voluntary Uncommitted Cost Sharing- http://www.whitehouse.gov/omb/memoranda_m01-06/.

Direct Costs

Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or Facilities and Administrative (F&A) costs. Where an institution treats a particular type of cost as a direct cost on sponsored projects, all costs incurred for the same purpose in like circumstances shall be treated as direct costs of all activities of the institution.

Facilities and Administrative Costs (F&A, Indirect, Overhead)

Facilities and Administrative costs mean costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.

Institutional Commitment

If the awardee has pledged resources that are necessary to accomplish award objectives as part of an institutional commitment, then sponsors have reasonable expectation that awardee organizations should fully complete the scope of work outlined in the proposal. Program Officers and reviewers can consider this in approving future funding amounts even if these amounts are not subject to formal Cost Sharing requirements. Failure to meet these pledges also could be identified as non-compliance with award terms and conditions.

Letters of Institutional Commitment or Support may be required by the sponsor as part of the proposal submission and review process. **If the institutional commitments are detailed with specific dollar amounts, they may be construed by the sponsor as voluntary Cost Sharing commitments.** The Office of Sponsored Projects (OSP) will review prior to submission of proposal to determine if it is voluntary Cost Sharing. Examples of Institutional Support Letters are located in [Appendix B](#).

Third Party In-Kind Contribution

A non-cash contribution to a sponsored project or program provided by a party other than either Brown University or the primary sponsoring agency. Third-party in-kind contributions may be in the form of goods, services, real property, equipment, supplies or other expendable property directly benefiting and specifically designated for the project or program.

Matching Contribution

A contribution to a sponsored project or program that is pledged by Brown University to match some portion of funds provided by the primary sponsoring agency. Matching contributions may be mandatory or voluntary and may be in any form, including cash and in-kind.

Salary Cap Cost Sharing

Cost sharing that occurs when the University proposes (or later assigns), effort by individuals whose salary exceeds a sponsor-imposed limit for individual salaries. Salary cap cost sharing cannot be used to meet Mandatory Committed Cost Sharing, however, it must be identified for cost accounting purposes.

Unrecovered Indirect Cost (Waived overhead, Waived F&A)

Unrecovered Indirect Costs occurs when the award's F&A cost rate is less than the University's federally negotiated rate.

Roles and Responsibilities

PRINCIPAL INVESTIGATORS

- Identify the cost sharing requirements of the solicitation / funding opportunity announcement.
- Determine and verify the cost sharing requirements of the project.
- Develop a cost sharing plan and identify the source(s) of funding for all cost sharing commitments and complete the Cost Sharing Commitment Form.
- Obtain appropriate approval(s) regarding any cost sharing commitments in advance of the proposal submission.
- Ensure that cost sharing commitments are met. Notify the OSP/BMRA as soon as reasonably known that the cost sharing commitment for a particular project may not, or will not, be fulfilled.

DEPARTMENT ADMINISTRATORS

- Assist Principal Investigator with identifying the cost sharing requirements of the solicitation / funding opportunity announcement.
- Assist Principal Investigator with developing a cost sharing plan and identifying the source(s) of funding for all cost sharing commitments and completing the Cost Sharing Commitment Form.
- Assist Principal Investigator with obtaining appropriate approval(s) regarding any cost sharing commitments in advance of the proposal submission.
- Ensure that cost sharing commitments are met.
- Properly charge and account for mandatory and voluntary committed cost sharing.
- Appropriately identify, administer and report on cost sharing.

OFFICE OF SPONSORED PROJECTS

- Review proposals prior to submission to assure formal cost sharing requirements and commitments are fully documented and that all necessary approvals have been obtained at the proposal stage.
- Verify mandatory cost sharing requirements and voluntary cost sharing commitments upon receipt of award.
- Incorporate appropriate cost sharing conditions in sub recipient agreements.
- Review cost sharing requirements and commitments upon receipt of award.

- Notify departments of mandatory cost sharing requirements and reportable voluntary committed cost sharing upon receipt of award. Work with the department administrator to determine appropriate reporting requirements.
- Monitor cost sharing compliance and reporting.
- Submit necessary cost sharing reports to sponsors.

CONTROLLER’S OFFICE

- Assure that cost sharing is correctly reflected in the Institute’s facilities and administrative (F&A) rate calculations.

Other Resources

- [Cost Sharing FAQ’s](#)
- [Cost Sharing Commitment Form](#)
- [Effort Reporting Policy](#)
- [NIH Salary Cap Policy and Procedures](#)
- Salary Cap Policy (Coming soon)
- [Sponsored Projects Training Classes](#)

Contacts

Subject	Contact	Phone
Pre-Award Related Issues	Contract Administrators	
Post-Award Related Issues	Grants/Contracts Accountants	

Revision History

- Version 1 - New policy – 10/1/11

The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.

Appendix A – Cost Sharing Implications

➤ **Cost Sharing Impacts**

Organized Research Definition

Organized research includes all research and development activities of an institution that are separately budgeted and accounted for that requires a formal application and approval process and includes:

- Sponsored Research – All research and development activities that are sponsored by Federal and non-Federal agencies and organizations
- University Research - All research and development activities that are separately budgeted and accounted for under internal application and University funds.

The organized research base is used by the University for the development of its Facilities and Administrative (F&A, also known as indirect costs) rate. The formula for development of this rate is: Research Pool Expenses/Organized Research Base.

➤ **Financial Impact**

Cost sharing of direct expenditures represents a redirection of departmental, school, and/or central resources from other mission-critical uses to support sponsored agreements. Every dollar of Cost Sharing results in the University forfeiting not only the recovery of the direct costs, but also the recovery of the associated F&A cost (except in the cases of cost shared capital equipment or tuition for which there is no associated F&A).

F&A Calculation Impact

The University's total amount of salary and non-salary Cost sharing (mandatory and voluntary committed) must be included in the denominator or organized research base of the F&A rate calculation. This increase in the base serves to decrease the University's overall F&A rate.

➤ **Administrative/Compliance Impact**

When Cost Sharing of any kind is represented in a proposal, upon award that Cost Sharing becomes a commitment that must be met and tracked for sponsor verification in the University's records. Cost Sharing imposes a substantial burden on both the PI and the department to account for and provide supporting documentation, whether the sponsor requires it to be included in a financial report or not. The amount of any obligation included in the original proposal and/or subsequently through negotiation must be documented. All cost sharing expenditures are subject to audit.

All exceptions to this policy must be discussed and approved by the OVPR and may also require school/center approval.

Appendix B – Sample Institutional Support Letters

See below for samples of Institutional Support Letters:



BROWN UNIVERSITY

OFFICE OF THE PROVOST
Box 1862 • Providence, RI 02912 • USA
Phone 401 863-2706 • Fax 401 863-1928

David I. Kertzer, Provost

September 10, 2009

Christopher Neill, Ph.D.
Associate Scientist
Marine Biological Laboratory
Woods Hole, MA 02543

Dear Chris,

Brown University is very pleased and excited to offer our full support for your proposal to the National Science Foundation for a **Partnerships in International Research and Education (PIRE)** grant entitled "PIRE: Land Use, Ecosystem Services and the Fate of Marginal Lands in a Globalized World." The proposed consortium brings together researchers and faculty from Brown University, The Earth Institute of Columbia University, and The Ecosystems Center of the Marine Biological Laboratory to advance our understanding of the patterns, causes and consequences of land-cover and land-use change now taking place in two of the Earth's most important frontiers between natural ecosystems and advancing intensive human land use: the cerrado-Amazon forest frontier in Brazil and the East African nations of Kenya, Uganda and Tanzania.

The proposed program of research and teaching connects several existing priorities for the University and builds on them in innovative ways. In 2004 Brown University established the Environmental Change Initiative (ECI) to promote and facilitate interdisciplinary environmental research. The rigorous integration between social and natural sciences in your proposal is evidence of the success of this approach. An ongoing association with ECI will help maintain that integration and allow the PIRE to serve as a model for other interdisciplinary environmental research efforts at Brown.

Many Brown programs have very strong international components, but in 2006 the University Corporation endorsed a new internationalization initiative, committing itself to "strengthening significantly the international component of its educational and research programs through strategic investment of new resources, through the strengthening of existing programs and the creation of new programs abroad and on campus, and through the creation of new partnerships and collaborative agreements with institutions abroad and the strengthening of existing collaborations." The proposed partnership will be a great leap forward in this area, not only creating opportunities for graduate and undergraduate research projects during the life of the project, but establishing courses, relationships, and collaborations that will last far into the future. We are particularly excited about the mentoring of junior faculty and postdoctoral fellows, which will give them the tools, contacts, experience, and confidence to establish their own international research efforts in the coming years.

The Brown-MBL graduate program has been adding students and joint projects gradually over the past 6 years, laying the groundwork for exactly this kind of joint training and research program. Faculty relationships are strong, students are excited about project ideas, and logistics are solid. Adding collaborators based at the Earth Institute will add many exciting opportunities for new projects, student advising, and interactions with international colleagues on two continents.

As your proposal builds on Brown's existing commitments to interdisciplinary environmental research, internationalization, and the Brown-MBL graduate program, we anticipate that the framework of courses and collaboration provided by the PIRE will facilitate new international programs and research projects. In light of these exciting opportunities, the University will be able to commit new resources in three specific areas: teaching support for Marine Biological Laboratory faculty, funds to support participation of foreign country collaborating students, and videoconference support.

Teaching support: Several proposed PIRE core course modules, as well as some follow-on courses will be taught by faculty at the Marine Biological Laboratory. As MBL-Brown faculty members are grant-funded positions, Brown University is committing institutional funding equivalent to a .25 faculty position to compensate MBL faculty members for teaching and preparation time.

Participation of international students: Funding for participation of foreign country students is not permitted by program guidelines, yet their integration is essential to building a fully international program and to expanding the impact of the PIRE beyond formally participating students. We will seek other sources of funding to support the travel of young scientists from our developing country partners to Providence, but at a minimum, the University will cover roundtrip airfare and subsistence costs for a one-semester visit during each year of the program

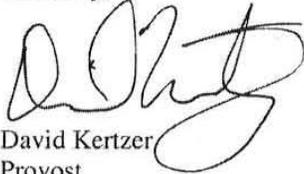
Videoconference support: Cyber-communication plays a central role in this project and Brown has committed significant resources to cyber-communication tools over the past several years. Several venues are available to PIRE students and faculty at Brown for small group videoconferences. In addition, the University has recently outfitted three lecture halls for video capture and is in the process of buying and installing hardware and software that will allow centralized support of videoconferencing facilities through Computing and Information Services. This project is scheduled for completion by October 2009. Real-time webcasts of project seminars and colloquia should not require additional equipment, but will initially require troubleshooting and support from Computing and Information Services and Instructional Technology. We will assign a specific project manager to this task until webcast operation is routine enough to be handled by project personnel.

Brown University has a strong and growing commitment to creating a truly international educational experience for students who will go on to live, work, and lead in an increasingly global community. We embrace this opportunity to build stronger ties with international colleagues and build a robust exchange of ideas, information, and cultures. The linkages created by the PIRE will put us in an even stronger position as we seek new sources of

funding to enhance international exchanges and bring Brazilian and African students and scholars to our campus.

We look forward to a positive decision on your proposal and a highly relevant program of research and teaching.

Sincerely,



David Kertzer
Provost
Brown University



Clyde Briant
Vice-President for Research
Brown University



BROWN

Jan S. Hesthaven

Professor of Applied Mathematics
Director, Center for Computation
and Visualization (CCV)

Division of Applied Mathematics

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Email Jan.Hesthaven@Brown.edu

July 22, 2010

Professor Reda
School of Engineering
Brown University

Dear Prof Reda,

As the Director of the Center for Computing and Visualization at Brown University, I am pleased to confirm that CCV is committed to collaborating with you and Prof Fonseca on the proposal entitled *An Acquisition to Explore the Impact of Many-Core Organization on Cloud Computing Workloads*.

CCV supports research computing and visualization at Brown University and offers a range of services to users in the sciences, engineering, humanities, and social sciences. The computational nucleus of the center is a 200-node iDataplex platform based on Intel's Nehalem quad-core processors, connected through Infiniband, and with I/O provided by IBM's GPFS parallel file system.

The proposal addresses the impact of many-core processors on the performance, power, and cost of data centers and, in particular, research data centers. These are clearly problems we consider as important to sustainability and environmental impact. Furthermore, CCV manages both quad-core systems and GPU-accelerated systems to cater to different types of workload and users. The comparative nature of the proposed study will help to inform us in our ongoing planning efforts for sustainability and growth of the center while striving to minimize the environmental impact.

Apart from the proposed research directions and clear alignment of these efforts to the mission of CCV, I am also convinced that the Brown University research community will broadly welcome the availability of the proposed infrastructure. In particular the 64-node 8-core Xeon servers will complement existing facilities. The equipment will be included into CCV through our Condo model, which guarantees system maintenance, integration, and support and priority access and use for the PIs but with broader access also to a broader group of users across campus when not fully utilized by the proposed research.

I am excited about this the project and look forward to the collaboration.

Sincerely

Jan S Hesthaven
Director of CCV