

Guidelines for Cost Sharing: Key Notes for PI's

Item	Key Note	Section
A.	Minimize cost sharing when possible. Cost sharing may be required in some cases, but there are drawbacks for the university and the principal investigator. The university seeks to minimize cost sharing when possible.	1.1, 1.3
B.	Origins of cost sharing standards. All cost sharing regulation is derived from the federal Office of Management and Budget (OMB) circulars. The university applies the standards to all federal and non-federal sponsored projects.	1.4
C.	Risks of non-compliance. There is serious audit risk associated with cost-sharing. Non-compliance brings the risk of a variety of penalties from the sponsor, up to and including the suspension or termination of awards.	1.5
D.	Voluntary cost sharing. Voluntary committed cost sharing is discouraged, although there are instances in which it will be appropriate to provide voluntary committed cost sharing. The National Science Foundation has now officially prohibited voluntary cost sharing.	2.1
E.	Alternatives. There are alternatives to voluntary committed cost sharing, including offering university resources without making a specific and quantifiable commitment.	2.2
F.	Review of cost sharing. Cost sharing should be reviewed at the time of proposal submission or when a change is made. Final approval of cost sharing resides with the dean or director.	2.3
G.	Preferred approaches. If cost sharing must be provided, there are preferred mechanisms based on two criteria: (a) Is there a new cost to the university? (b) Is there a significant burden for documentation or audit?	2.4
H.	Proposals. All cost sharing contributions should be explicitly identified in the proposal budget.	2.5
I.	Lowered award amounts. When an awarded amount is less than the proposed budget, cost sharing contributions are not reduced unless specifically approved by the sponsor.	3.2
J.	Proposing cost sharing. The principal investigator is expected to identify cost sharing items, identify a funding source for each, and seek approval for cost sharing via the dean's or director's office.	2.7, 3.3
K.	Changes in cost sharing. A cost sharing commitment cannot be changed without prior approval from the sponsor.	4.3