

Section: Sponsored Programs

Policy Number: 2-2

Policy Name: Cost Share

Date: October 25, 2012

Revisions: June 18, 2014

I. PURPOSE

Cost sharing or matching is the portion of award costs not borne by the sponsoring agency. The purpose of this policy is to set forth the circumstances and to establish the procedure for proposing, approving, administering, and documenting cost sharing on sponsored projects. It includes all contributions, including cash and in-kind, that a recipient makes to an award.

Cost sharing is auditable and must be allowable under cost principles and verifiable to records. The University must ensure that cost sharing requirements of sponsored agreements are proposed, accounted for and reported in a manner consistent with the requirements set forth in federal regulations, primarily the Office of Management and Budget (OMB) Circulars A-110 (CFR 215) and A-21 (CFR 220). <http://www.whitehouse.gov/omb/circulars/>

Any cost share committed on a proposal, if awarded, is an assumed committed budget amount which must be included in the proposal budget, properly accounted for, and tracked in the award. Therefore, this policy restricts committed cost share to only that which is necessary to commit.

II. POLICY

Committed equipment cost share, whether mandatory or voluntary, must be met, tracked, and reported during the periods in which it was accomplished. The University of Delaware (UD) strongly discourages voluntary cost share (also called matching) by its Principal Investigators (PI); the College of Engineering supports this philosophy. If cost share is mandated by a sponsor, it must be limited to the minimum amount necessary to meet a sponsor's requirements. Any equipment cost share provided above the level committed to a sponsor is referred to as voluntary uncommitted cost-share, and is not required to be reported as cost-share.

III. EQUIPMENT MATCH FORMULA

Equipment cost share dollars are available when proposals either require equipment cost share or the award budget exceeds the available funding in the area of equipment. UD policy allow PI(s) to submit a one-time request of up to \$50,000 with one-to-one match assistance from the PI's college or unit. For example, a \$50,000 match from UD would require an equal \$50,000 match from the college or unit. In the College of Engineering, the college/unit match will be split between college funds (75%) and funds of the department/center/PI (25%). For example:

Total Cost Share: \$100K
Research Office portion: \$50K
College of Engineering portion: \$37.5K
Department/Center/PI portion: \$12.5K

In the case of major center proposals (e.g., COBRE, ERFC, STC, ERC, MRSEC etc.) that involve multiple academic units and multiple years of potential funding, the PI can submit requests of up to \$50,000 for each of the years of funding proposed to the Research Office. This sum must also be matched as per the equipment policy by the college or unit for each of the years that UD provides funding.

IV. NON EQUIPMENT CASH COST SHARE

Specific needs of proposals should be supported, as much as possible, by the proposal budget. In the case of a proposal requiring significant cost share beyond equipment purchases, and in which such cost share cannot be met through tuition scholarships or faculty effort, discussions and requests must be presented with ample time for consideration in advance of submission (see approval process below). Requests should be as detailed as possible and should focus on project needs that cannot be met in the sponsor's outlined budget allocation. While no particular formula for sharing in these costs is provided, it is expected that the PI, Center and/or Department will illustrate significant financial commitment to these costs at the time of the request for college funds.

V. APPROVAL

Any pending requests, and especially unique requests, for cost share must be provided to the Deputy Dean and the Chief Business Officer at least one week before the routing of the proposal approval form. Formal approval for cost share will occur at the time of the proposal submission, through approval of the grant budget in which the cost share funds are included. Proposals requesting cash cost share commitments (equipment and/or non-equipment cash) must be routed through the Deputy Dean and the Chief Business Officer.