# Texas Woman's University
# University Regulation and Procedure

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| **Regulation and Procedure Name:** | **Cost Sharing on Funded Projects** |
| **Regulation and Procedure Number:** | **URP: 02.460** |
| **Policy Owner:** | **Academic Affairs** |

## POLICY STATEMENT

Cost sharing or matching is a commitment made by Texas Woman's University ("TWU" or "University") or external sources other than the granting organization to fund a portion of the total cost of a sponsored project. This commitment may include direct and/or indirect costs. This policy is established in compliance with requirements from the federal Office of Management and Budget ("OMB") to outline the process for proposing, approving, and documenting cost sharing on funded projects.

## APPLICABILITY

This policy is applicable to TWU Faculty and Staff engaged in sponsored project activities.

## DEFINITIONS

1. "Cost share" means a portion of the total project costs not borne by the sponsor through the assigned Office of Research and Sponsored Programs ("ORSP") sponsored project account but rather borne by TWU through another account or an external source. Cost share includes all contributions including cash, in-kind, and third-party contributions. Cost sharing should only be contributed when required by the sponsor guidelines. Other terms for "cost share" include "matching" or "institutional support."

2. "In-kind contributions" means the value of non-cash contributions where the value can be readily determined, verified, and justified but where no actual cash is allocated in securing the good or service comprising the contribution.

3. "Mandatory cost share" means university resources committed to a funded project to meet explicit funding agency requirements. Mandatory committed cost sharing must be documented and tracked and may require reporting.

4. "Voluntary committed cost share" means university resources committed to a funded project but not required by funding agency. The federal

government does not expect voluntary committed cost sharing in proposals. It cannot be used as a factor during the merit review of applications or proposals unless it is both in accordance with the federal statutes or awarding agency regulations and specified in the notice of funding opportunity. Voluntary committed cost share becomes mandatory upon receipt of award.

5. "Voluntary uncommitted cost share" means cost sharing that is neither mandatory nor voluntarily committed in the budget and program description of a funding proposal. Voluntary uncommitted cost share is not documented or reported to funding agency.

**REGULATION AND PROCEDURE**

I. Procedures

A. Committed cost sharing shall be proposed, approved, and documented in a consistent and reasonable manner. Committed cost sharing on a sponsored project is a legally binding obligation and is subject to audit requirements to the same degree as all university expenditures. Any cost share committed in a funding proposal must be approved by the individual(s) with budgetary authority over the obligated funds and by the University's authorized official. Voluntary cost share must be approved by either the funding applicant's academic dean or vice president and requires written justification that includes the rationale for the commitment.

B. Once cost sharing is included in the proposal (mandatory or voluntary) and accepted by the sponsor, it becomes legally binding and must be verifiable and fully documented in university records.

C. Cost sharing obligations must be funded from identified resources available to the project and shall be treated consistently with other similar university expenditures.

D. The Office of Research and Sponsored Programs ("ORSP") is responsible for administering cost sharing procedures and is authorized to update and modify procedures and documents as necessary to comply with federal, state and university regulations. ORSP is also responsible for ensuring that TWU personnel are kept current on cost sharing procedures and requirements.

E. Allowable cost share contributions:

1. Are verifiable from university records.

2. Are not included as contribution for any other funded project.

3. Are incurred for the specific program and are necessary and reasonable for accomplishment of program objectives.

4. Are allowable under OMB guidelines for federally funded projects.

5. Are allowable and allocable under the terms of the sponsoring award.

6. Are allowable under applicable cost principles and TWU procurement policies.

7. Are allowable as employee salary and wage compensation to the extent that the total compensation conforms to established TWU personnel policies and that these policies are consistently applied.

8. Are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.

9. Are included in the approved project budget, budget narrative, and/or the proposal narrative.

10. Are incurred during the project period of the award.

11. Conform to the provisions of applicable federal OMB guidelines.

II. Documentation of Cost Share

Documentation of cost share is the responsibility of the department committing the cost share. The Principal Investigator ("PI") on a funded project is required to provide documentation to ORSP on all cost share contributions other than salaries and indirect costs. Cost share documentation must be submitted to ORSP at the same time that required reports are submitted to the sponsoring agency.

III. Cost Sharing Conditions for Subrecipients

A cost sharing requirement shall be included in the terms and conditions of subrecipient agreements when cost sharing flows down to subrecipients or consortium partners. The sub-awardee is responsible for maintaining the documentation of such costs.

IV. Third-Party/External Contribution

External cost share contributions shall be pledged in writing (at the proposal stage), shall include the amount committed, and shall be signed by an authorized official of the external entity. External contributors shall be required to certify in

writing that the commitment has been met and that the value of the goods and/or services can be documented.

## REVIEW

This policy will remain in effect and published until it is reviewed, updated, or archived. This policy is to be reviewed once every six years. Interim review may be required as a result of updates to federal and state law or regulations, Board of Regents policies, or internal processes or procedures.

## REFERENCES

None

## FORMS AND TOOLS

None

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