

NEOMED RESEARCH POLICY	Policy No: 3349-R-678
RESEARCH POLICY TITLE: Cost Sharing Policy	EFFECTIVE DATE: 06/01/2025
RESPONSIBLE DEPARTMENTS: Office of Research and Sponsored Programs	Approval Authority:

(A) PURPOSE

The purpose of this policy is to outline Cost Sharing parameters that are compliant with federal grant awards, as established by the Office of Management and Budget (OMB). [Federal law](#) requires that “[u]nder Federal research proposals, Voluntary Committed Cost Sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity.”

For consistency purposes, and because non-federal sponsor cost share requires similar diligence to recognize the commitment and maintain appropriate documentation which provides evidence of a Cost Sharing commitment, all committed Cost Sharing is subject to this policy.

(B) SCOPE

This policy applies to all investigators, faculty and staff engaged in research or sponsored programs, and administrators within all colleges, units, divisions, centers, institutes or University-wide initiatives who are involved with the administration and conduct of sponsored projects.

(C) DEFINITIONS

- (1) “Cost Sharing” refers to any project cost that is not reimbursed by the sponsor to support the scope of work defined by the federal or non-federal sponsored award. Cost sharing, also known as “matching,” is funded by NEOMED or a third-party, which is generally a non-federal resource.
- (2) “In-Kind Cost Sharing” refers to contributions wherein the value can be readily determined, verified, documented, and justified, but where no actual cash is transacted in securing the good or service comprising the contribution. When

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applicable, the estimated value of the In-Kind Cost Sharing must be identified and documented based on the fair market value determined at the time of accepting the award. In-Kind Cost Charing must be tracked manually by the department/local unit managing the award.

- (3) “Mandatory Committed Cost Sharing” refers to costs required as a condition of the award which must be tracked and may require reporting. The Sponsor requires this type of cost sharing and must be included in the proposal.
- (4) “Over-the-Cap Salary” refers to the portion of a faculty or staff member’s salary and associated fringe benefits that exceed regulatory maximum imposed by the sponsor (e.g., National Institutes of Health and Department of Defense [salary cap](#)). Over-the-cap Salary cannot be used to meet a mandatory or voluntary committed Cost Sharing requirement, since it is considered an unallowable cost to the sponsor. This should be tracked via companion account for effort reporting.
- (5) “Voluntary Committed Cost Sharing” refers to cost sharing specifically pledged by NEOMED on a voluntary basis which is quantified in either the proposal budget and/or narrative and becomes a binding requirement of the award, must be tracked, and may require reporting. NEOMED strongly discourages Cost Sharing unless it is required by the federal or non-federal sponsor. Note: When a principal investigator decides to use other funding source(s) to fulfill a proposed and budgeted effort commitment, that effort must be treated as Voluntary Committed Cost Sharing for both effort reporting and inclusion in Facilities and Administrative/Indirect Cost rate calculation purposes; however, reporting to the sponsor may not be required.
- (6) “Voluntary Uncommitted Cost Sharing” refers to costs and effort that are not included as part of the submitted proposal or upon acceptance of the award. This does not need to be tracked or reported.

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(D) POLICY STATEMENT

(1) Cost Sharing Principles

- (a) Voluntary Committed Cost Sharing should not be included in federal proposals.
- (b) Cost share may be required by federal sponsors, and the obligation must be met using non-federal funds. Only charges that would be allowable as direct costs to the award are allowable as cost share unless prior written approval has been received from both the federal sponsor and the flow through sponsor.
- (c) Cost Sharing expenditures must adhere to the same accounting, financial, legal, and regulatory requirements as direct cost expenditures on sponsored awards and must comply with the following:
 - (i) Federal or non-federal sponsored award terms and conditions;
 - (ii) Federal regulations, including restrictions on procurement and airfare;
 - (iii) University sponsored policies and guidelines; and
 - (iv) Donor restrictions.
- (d) For federally funded sponsored awards, Uniform Guidance requires:
 - (i) verifiable from the University's records;
 - (ii) not included as contributions for any other federal award;

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- (iii) necessary and reasonable for the accomplishment of the project or program objectives;
 - (iv) are allowable under Subpart E Cost Principles;
 - (v) not paid from another federal award; and
 - (vi) included in the approved budget when required by the Federal awarding agency.
- (e) Failure to appropriately document Cost Sharing commitments from verifiable official University records could result in audit findings and require the return of funds to the sponsor.

(2) Roles and Responsibilities

(a) At Proposal:

- (i) PI and Department/Local Level Managing Units are responsible for the following:
 - (a) Identifying the type of committed Cost Sharing, if any, and ensuring the cost share budget includes expenditures that are allowable, allocable, reasonable, and consistently accounted for in accordance with University and sponsor policies;
 - (b) Entering the Cost Sharing commitment in the electronic grant proposal and management system, Quali. Sponsored Programs/Grants Accounting will help with the calculations and reconciliations; and

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- (c) Obtaining department/local level managing unit approval and signatures prior to proposal submission to sponsor
 - (ii) College Level Officials are responsible for the following:
 - (a) Reviewing proposal for Cost Sharing commitments and providing Dean's/designee's approval.
 - (iii) The Office of Research and Sponsored Programs (ORSP) is responsible for the following:
 - (a) Reviewing proposals for Cost Sharing commitments and determining if the proposed Cost Sharing is allowable and in compliance with sponsor and University policies, and ensuring the appropriate department and school-level approvals for Cost Sharing sources are obtained.
- (b) Upon Receipt of Award and During the Award Period
 - (i) PI and Department/Local Level Managing Units are responsible for the following:
 - (a) Stated effort on a funded award must match the funds available for the salary;
 - (b) Upon request from the Office of Research and Sponsored Programs (ORSP), determining if there have been any changes in the proposed Cost Sharing commitment (e.g., increased or decreased amount);
 - (c) Confirming that funds are available for cost sharing as committed or providing an alternate source of funding to

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meet the commitment if adequate funds are not available in the originally provided index;

(d) Notifying ORSP when there is a change in total Cost Sharing amount or in Cost Sharing source defined as follows:

(i) To or from University, Sponsor, In-Kind, sub-recipient;

(ii) From one sponsored fund to another sponsored fund:

(iii) From one sub-recipient to another; or

(iv) From one in-kind source and/or description to another;

(e) Monitoring the committed cost share through verifiable University records throughout the entire award period;

(f) Using companion accounts with a sponsored activity and sub-activity value with a non-sponsored fund, when required; and

(g) Providing cost sharing information to Grants Accounting for reporting, if required by the sponsor.

(ii) College Level Officials are responsible for the following:

(a) Working closely with department/local level managing unit and PI to monitor committed cost share through verifiable University records throughout the entire award period.

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(iii) ORSP is responsible for the following:

- (a) Determining whether there have been any changes to the proposed Cost Sharing commitments;
- (b) Confirming with the department/local level managing unit that committed Cost Sharing funds are available; and
- (c) Requesting a renegotiation of the Cost Sharing commitment from the sponsor if Cost Sharing obligation cannot be fulfilled (note: if the sponsor is unwilling to renegotiate the Cost Sharing terms of the award, the University may be forced to decline the award).

(iv) Grants Accounting is responsible for the following:

- (a) Confirming that the cost share commitment has been met and complies with University and sponsor policy;
- (b) Coordinating with department/local level managing unit to address and clarify potential Cost Sharing issues and, if necessary, resolve with school-level officials; and
- (c) Reporting cost share commitment to sponsor, if required.

(c) At Closeout

(i) PI and Department/Local Level Managing Units are responsible for the following:

- (a) Providing Cost Sharing information and confirming the Cost Sharing commitment has been met (including any In-

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Kind contributions) and coordinating with Grants Accounting to resolve any Cost Sharing discrepancies;

- (b) Reconciling cost share companion accounts; and
 - (c) Assuming any financial loss if Cost Sharing commitments are not met and the sponsor does not approve a reduction of Cost Sharing commitment.
- (ii) College Level Officials are responsible for the following:
- (a) Coordinating with the department/local level managing unit and Grants Accounting team to resolve any Cost Sharing discrepancies.
- (iii) Grants Accounting is responsible for the following:
- (a) Finalize cost share commitment