



Administrative Procedure

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Grants and Contracts Policy

Subject: COST SHARING & IN-KIND COMMITMENTS

Policy

Cost sharing represents that portion of the project or program costs not borne by the sponsor. The provision of University cost sharing is an important component to the success of grants and contracts and to successful program completion. The process of providing cost sharing and cost sharing documentation on a grant includes many parties such as: The principal investigator (PI), Office of Research, Scholarship, and Creative Activities (ORSCA), California State University, Los Angeles University Auxiliary Services, Inc. (UAS), the various colleges, departments/divisions/schools, and other University units within California State University, Los Angeles (Cal State LA), and in some instances, outside partners. Considering the administrative requirements and responsibilities inherent in the cost sharing commitment, the appropriate University administrator should weigh the research program against the financial impact of each cost sharing commitment, prior to making such commitments.

Specified cost sharing can be voluntary or mandatory and can take the form of either cash contributions or in-kind contributions. Cost shared expenses, whether mandatory or voluntary, are to be accounted for separately for each project. Acceptable sources/types of cost sharing expenses are provided in Appendix A to this policy. Records for cost sharing are retained for the same periods as the records for the related sponsored project, usually a period of three (3) years from the date of submission of the final expenditure report as specified in OMB Uniform Guidance.

Definitions

Cost Sharing – Cost sharing refers to the resources contributed or allocated by the University and/or external sources to a sponsored project over and above the support provided by the extramural sponsor of the project.

Mandatory Cost Sharing – Mandatory cost sharing is that portion of costs sharing that is required by means of statute, law or sponsor guidelines. The sponsoring agency's program guidelines typically indicate whether or not cost sharing is mandatory for submissions to that agency or for submissions to a specific program.

Voluntary Cost Sharing – Voluntary cost sharing is that portion of cost sharing that the University and/or external source formally commits to a project of its own initiative, when there is not a specific sponsor requirement. Voluntary costs sharing commitments are monitored and reported using the same procedures as mandatory cost sharing obligations.

Approved: _____

Date: _____

Cash Contributions - Cash contributions represent Cal State LA's cash outlay, including the money contributed to the University by non-Federal third parties for the purposes of cost sharing on a specific project.

In-kind Contributions - In-kind contributions represent the value of all non-cash contributions, including services and equipment use provided by the University and/or non-Federal third parties. Services and equipment that are included in the University's federally negotiated facilities and administration (indirect) costs are not considered in-kind contributions.

University Administrator - The University administrator for purposes of this policy is any employee (college dean, department/division/school chair or other administrator authorized to enter into cost sharing commitments) who has responsibility for the management of University resources and the authority to pledge and the responsibility to monitor such resources for cost sharing.

Procedures

- During the budget preparation process and before a proposal's budget is prepared in final form by UAS Grants & Contracts, the PI must obtain at least informal approval for cost-sharing arrangements from the relevant University administrator(s).
- The PI then works with UAS Grants & Contracts to assure accurate budget preparation, including information on the required level of mandatory cost sharing or the agreed upon level of voluntary cost sharing.
- The PI and UAS Grants & Contracts work together to obtain required signatures on the internal Proposal Approval form to authorize cost sharing obligations included in the budget proposal. These include signatures of the authorized University Administrator(s) and outside partners (often attached as a letter), as appropriate.
- When an award for a project is received by UAS Grants & Contracts and assigned a Project/Grant ID code, any cost sharing obligations will be outlined in a Cost Sharing Cover Memo (see attached sample) and included in the award packet generated by UAS Grant & Contracts and forwarded to the PI, the designated University administrator(s), Associate Vice President of Research (ORSCA), and the University Controller's office.
- The designated University administrator(s) will initiate a request to set up the cost share allocation on the Cal State LA General Ledger. This will use the Project ID code that was assigned by UAS Grants & Contracts for the particular award. If the award includes cost sharing from outside parties, the PI and UAS Grants & Contracts work together to determine how best to document and manage this cost sharing contribution. Typically, an outside partner provides UAS Grants & Contracts with a letter of commitment and, on a schedule specified in the agreement, the partner remits the actual certified cost sharing incurred, along with backup supporting documentation.
- The PI and the designated University administrator(s), usually the college dean, are responsible for tracking cost sharing commitments to ensure that resources are not committed for more than 100% of their time/value.
- The PI and the same University administrator(s) are also responsible for monitoring their cost sharing commitments to assure that the total amount of funds is spent and reported properly and according to the terms of the award.
- The PI and designated University administrator(s) will document and reconcile the time and effort of personnel pledged to the cost sharing component of an award, using the attached Cost Sharing Certification form. If cost sharing is from sources outside of Cal State LA, the PI and the University administrator are responsible for obtaining the documentation of cost sharing.
- When project expenses result in more charges to a sponsored account than were funded, the amount of the over-expenditure is accounted for in the same manner as cost sharing. These costs represent project costs being borne by the respective University organization (i.e. college/department/division/school).

- On an annual basis, the responsible University administrator, usually the college dean's office, will submit to UAS Grants & Contracts, with a copy to the PI, the Cost Sharing Certification form (see attached) showing a summary of expenditures with a description of cost sharing activities, along with supporting expense documentation.
- At the end of a project, the University administrator will provide a final report of cost sharing to UAS Grants & Contracts and the PI, with a written explanation of deviations, if the actual cost sharing is not equal to the original cost sharing commitment.

Appendix A provides additional information about allowable cost sharing. Samples of the Cost Share Cover Memo, and Cost Sharing Report and Certification, also are attached as Appendix A.1. and A.2.

This policy is effective immediately and remains effective until further notice.

APPENDICES:

[Appendix A.](#)

[Appendix A.1.](#)

[Appendix A.2.](#)