



UNIVERSITY CORPORATION AT MONTEREY BAY

100 Campus Center Seaside, CA 93955-8001 831/582-3500

561-001-C: COST SHARE POLICY

I. Policy Overview

This policy establishes guidelines for cost sharing on external funding (regardless of funding source) administered by the University Corporation at Monterey Bay (“University Corporation” or “CSUMB”) in order to ensure the University Corporation’s compliance with federal regulations governing cost sharing (or matching) on sponsored projects, specifically Office of Management & Budget’s (OMB’s) Code of Federal Regulations Part 200 —Uniform Administrative Requirement, Cost Principles and Audit Requirements for Federal Awards (“Uniform Guidance”) Subpart D 306. This policy is intended to reflect the University Corporation’s commitment to the principles, goals, and ideals described in the CSUMB Vision and its core values.

University Corporation discourages any voluntary cost sharing regardless of funding source. Cost sharing shall be made only to the extent necessary to meet the specific requirements of the sponsor or other institutional priorities. At the time of proposal, all committed cost share must be detailed as to source and approved via the internal proposal review and approval process.

In cases of voluntary cost share commitments, the University Corporation leadership shall consider the potential significance of the proposed scholarly activity to the overall mission of the institution and the academic or interdisciplinary unit when recommending and/or approving voluntary institutional cost share. In rare cases where voluntary cost share is deemed necessary, it shall be clearly noted as additional cost share via the internal proposal review and approval process, along with a justification as to why the voluntary cost share is necessary.

II. Terms and Definitions

- A. *Cost Share*: The portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute) or the primary funder, but supported by either the University Corporation, CSUMB, or a third party.
- B. *Match*: For the purposes of this cost share policy, “match” is synonymous with “cost share”.
- C. *Mandatory Cost Share*: Cost share that is required by the funding agency by law, statute or agency guidelines.
- D. *Voluntary Cost Share*: Cost share that is not required by the funding agency. If described in the proposal, voluntary cost share becomes a commitment at the time an award is made.
- E. *Committed Cost Share*: Cost share, whether mandatory or voluntary, that has been

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promised to the funding agency within the proposal or award. This cost share represents a binding commitment.

- F. *Voluntary Uncommitted Cost share*: Cost share not required by the sponsor and not committed to the sponsor in the proposal or award. Documentation of voluntary uncommitted cost share is not provided to the sponsor.
- G. *Cash Match*: Actual cash outlay by either other non-Federal funds or third parties.
- H. *In-Kind*: The value of all non-cash contributions (i.e., property or services), provided by the project and/or non-Federal third parties. The value of these contributions shall be established in accordance with applicable cost principles.
- I. *Third-party Contributions*: Contributions of services and/or cash provided by non-institutional entities (e.g. non-federal public agencies and institutions, private organizations, individuals).
- J. *Volunteer Time*: Uncompensated effort specifically dedicated to a project. Volunteer time must be documented in terms of hours worked and is NOT captured in the CSUMB Effort Reporting process. The value of the work performed is calculated at a rate comparable to what reasonable compensation would be.
- K. *Principal Investigator ("PI")*: The individual primarily responsible for development of the concept and execution of the award.

III. Cost Share Requirements

Cost share commitments shall only be made when required and then only to the extent necessary to meet the specific requirements of the funding agency.

In compliance with the Uniform Guidance section §200.306, cost sharing or matching, all cost share contributions shall meet the following criteria:

- A. Are verifiable from the non-Federal entity's records,
- B. Are not included as a contribution for any other federally-assisted project or program,
- C. Are necessary and reasonable for proper and efficient accomplishment of project or program objectives,
- D. Are allowable under the applicable cost principles,
- E. Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching,
- F. Are provided for in the approved budget when required by the Federal awarding agency, and
- G. Conform to other provisions of federal regulations, as applicable.

Costs documented as cost share shall fall within the project period of the award.

Volunteer services are allowed if the services are necessary and integral to the success of the project. Rates for volunteer services shall be consistent with those paid for similar work.

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IV. **F&A and Depreciation as Cost Share**

F&A

Full-cost recovery for indirect cost is mandatory. If the agency requires a lower indirect cost rate, then unrecovered indirect cost may be used as cost share only with written approval from the funding agency, either by direct approval, stated in the RFP or within the agency's formal policies.

V. **Depreciation**

Depreciation on equipment cannot be used as cost share since it is already included in the calculation of the Corporation's F&A rate.

VI. **Roles and Responsibilities**

Principal Investigator - Responsible for:

- A. Identifying cost sharing commitments, securing the appropriate institutional approvals for proposed cost sharing commitments, and making sure the cost sharing commitments are fulfilled during the course of the project.
- B. Considering the administrative requirements and responsibilities inherent in the proposed cost sharing commitment and weigh the cost effectiveness and the expected benefits of the cost sharing.
- C. Submitting the cost share committed via the internal proposal review and approval process and appropriate supporting documentation for all cost share.
- D. Providing documentation supporting cost-share charges in a timely manner,
- E. Certifying that the cost share has not been committed to other projects,
- F. Certifying that the cost share was necessary for completion of the identified project, and
- G. Identifying and documenting additional sources of cost share if committed cost share sources fall short of anticipated levels.

The Chair/Directors and College Deans (or other appropriate Administrator, if applicable) - Responsible for:

- A. Verifying the cost share committed via the internal proposal review and approval process,
- B. Verifying the semester cost share reports and corresponding documentation, and
- C. Identifying and documenting additional sources of cost share should the PI be unable to meet the cost share commitment.

The Corporation shall have oversight and compliance of the cost share process. The Corporation shall maintain the cost share documentation and assist with reporting cost sharing to the funding agency (in accordance with the funding agency regulations).

VII. **Adoption and Review**

- A. The University Corporation's Board of Directors has adopted this Cost Share Policy, dated 19 December 2002. The University Corporation's Board of Directors has adopted this Cost Share Policy – B, dated 24 June 2010. The University Corporation's Board of Directors has adopted this Cost Share Policy – C, dated 15 June 2017.

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- B. This policy shall be evaluated ten years from its adoption date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the University Corporation or any change required by law or by other governing policy.

Any proposed amendments or variations of this policy would require a majority approval by the University Corporation Board of Directors.

VIII. Related Documents

- A. 567-001-A: Cost Share Worksheet
- B. 567-002-A: Effort Certification Statement
- C. Uniform Guidance §200.306, Cost sharing or matching
- D. Cost Share Procedures