

OSP COST SHARING GUIDELINES

REFERENCES:

OMB Circular A-110
OMB Circular A-21
M-01-06 Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing...
OSP Guide
SPA Post Award Manual
FASOP: AS-06

DEFINITION:

Cost sharing and Matching is defined as that portion of sponsored program costs not borne by the Sponsor.

UNIVERSITY REQUIREMENTS:

- PI's should only commit cost sharing when required by the sponsor (sponsor mandated cost sharing).
- Voluntary committed cost sharing must be approved by the Vice Chancellor for Research and Economic Development and will be documented in the same manner as sponsor mandated cost sharing.
- Cost sharing commitments are a condition of the award and subject to audit.

FEDERAL REQUIREMENTS:

- Cost sharing expenditures must occur within the period of performance of the sponsored project.
- Cost sharing must meet the same standards of allowability as the sponsored project funds.
- Funds can only be cost shared to one project.
- Sponsored projects that are either federal or federal pass through may not be used as cost sharing for any other sponsored project unless authorized by federal statute to be used for cost sharing or matching.
- The function of cost share funds must match the function of the sponsored project (i.e. sponsored research projects must be matched with research funds).
- All cost sharing to sponsored project must be properly documented in the University's accounting records.

TYPES OF COST SHARING

a) INSTITUTIONAL

All institutional match contributions are "In-Cash", and are normally limited to Salaries and Wages, Fringe Benefits, and Indirect Costs. All University matching funds will be department or college contributions unless otherwise approved by the other contributing unit.

b) EXTERNAL

All proposals which include support (in-cash or in-kind) from an external organization must contain a written commitment from the organization's authorized representative. For those proposals which include in-cash or in-kind support, the commitment must include at a minimum:

- A statement that the funds will be provided in support of the specific project proposed.
- The amount of financial support which will be provided.
- The period for which the funds will be available (must coincide with proposed project period).
- A commitment to provide the cash contribution at the beginning of proposed project or at the beginning of each budget year of a multi-year project.
- A statement that documentation of in-kind match (e.g. equipment loan) will be provided through quarterly invoices to LSU showing the value of the match and reflecting no cost to the University.

Indirect costs at our federally negotiated rate will be applied to in-cash matching funds from all organizations except state agencies. For state agencies our state indirect cost rate will be applied. The indirect cost rate is not applied to in-kind contributions.

COST SHARE DOCUMENTATION:

The Principal Investigator of a sponsored project is responsible for documenting the matching or cost sharing commitment for that project or coordinating such documentation through his/her department.

LSU documents salary cost share through Personnel Activity Reports (PARs) required by OMB Circular A-21, Section J.8.b. PARs must document a reasonable estimate of activities or effort for which employees are paid. Any significant changes (5% or more) in effort must be reported and documented. See LSU's PAR Manual. Non-salary cost share is documented through separate cost share accounts.

OTHER COST SHARE CONSIDERATIONS:

Per M-01-06, Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing, dated January 5, 2001, most research proposal budgets (federal and non-federal) must include some level of committed PI/Co-PI or senior personnel effort (requested or cost shared). When preparing a research project budget, PIs should ensure that appropriate funds are budgeted (requested or cost shared) for at least one person considered senior personnel. If cost sharing is not required, then appropriate funds must be requested for PI/Co-PI or senior personnel effort. For those senior personnel who do not have effort budgeted, PIs will certify that these individuals will devote less than 5% time on the project. Senior personnel effort in excess of 5% must be included in the budget. This does not apply to equipment, instrumentation, doctoral

dissertation or student augmentation grants which do not require committed faculty effort.

Any effort or resources offered in the proposal narrative or budget justification becomes a condition of the award and, if quantifiable, will be treated as cost sharing even if they are not quantified in the proposal budget. Consequently, it is important that all quantified effort or resources offered in the proposal narrative are listed in the budget and budget justification.