

APPENDIX VII

Cost Sharing Frequently Asked Questions

Q. What is Cost Sharing?

A. Cost sharing represents that portion of the total project costs of a sponsored agreement borne by OHSU, rather than by the sponsor. Cost sharing of direct expenditures represents a redirection of departmental or school resources from teaching or other departmental and school activities to support sponsored agreements.

Q. Is all cost sharing the same?

A. No. There are three types of cost sharing:

- **Mandatory cost sharing** is required by the sponsor as a condition of obtaining an award. It must be included within the proposal for the award to be approved.
- **Voluntary Committed cost sharing** represents resources offered within an award proposal budget or budget justification by OHSU when not a specific sponsor requirement. When an award is received in which cost sharing was specifically pledged in the proposal's budget or justification, the cost sharing becomes a binding commitment, which OHSU must provide as part of the performance of the sponsored agreement.
- **Voluntary Uncommitted cost sharing** is defined as OHSU personnel (including senior researchers) effort that is over and above that which is committed and budgeted for in a sponsored agreement. This cost sharing does not appear in the award proposal budget, budget justification or award document.

Q. How do I know if there is cost sharing on awards that I manage?

A. Mandatory or Voluntary Committed cost sharing commitments will be stated in the Project proposal and possibly on the Notice of grant award. These should be in the award/project folder within the department. Remember that cost sharing is recognized in an award document with language such as "This award is based on the application submitted..."

Q. Why do I have to keep track of the amount of cost sharing that we have in our department?

A. When required, OHSU is responsible for providing information to sponsoring agencies that demonstrates OHSU has fulfilled the cost sharing commitments that it made as a condition of receiving external sponsorship. Sponsored Projects Administration is responsible for providing cost sharing reports to sponsors when required by the sponsor. In order to do so, departments must provide the necessary information at the time of the award and on the semi-annual Effort Certification Statements. In addition, during the financial closeout of a sponsored project, cost-sharing commitments are reviewed.

Q. Where is cost sharing reported and tracked?

A. Cost sharing is reported on the semi-annual Effort Certification Statements and tracked by both Sponsored Projects Administration (and Corporate Financial Services during a base year for F&A rate negotiations).

- New awards set up **after April 1, 2002** that have a Mandatory or Voluntary Committed cost share, will be set up with a separate "Cost Share" account. This account string will appear on the Effort Certification Statement as a separate account, with the corresponding percent of pay/effort assigned to it.
- Awards set up **prior to April 1, 2002** that have a Mandatory or Voluntary Committed cost share do not have separate "Cost Share" accounts set up and must be manually entered on the effort certification statements in the "Committed C/S" column.
- Voluntary Uncommitted cost sharing must be entered in the "Uncommitted C/S" column on the Effort Certification Statement.

Q. Why do I have to designate on the effort statement what kind of cost sharing we have?

A. The different types of cost sharing are used for different purposes:

- **Mandatory** and **Voluntary Committed** cost sharing on research projects is included in the base of OHSU's Facilities & Administrative cost proposal for each rate (research, instruction, and other sponsored activities) and therefore must be captured and reported separately. **(A copy of the proposal page that states the cost share commitment should be attached to the semi-annual Effort Certification Statement, when submitted to SPA.)**
- **Voluntary Uncommitted** cost sharing is excluded from the Organized Research base but is necessary for "truing up" effort.

Q. How do I account for salary over the Federal Salary Cap?

A. Any payroll above the Federal Salary Cap must be cost shared by a non-federal account. This is considered **Voluntary Committed cost sharing**. And must be accounted for in the "% C/S Committed" column of the Effort statement.