

# **Texas Woman's University**

## **Procedures for Cost Sharing on Funded Projects**

Cost sharing or matching is a commitment made by TWU to fund a portion of the total cost of a sponsored project. This commitment may include direct and/or indirect costs, and may consist of University funds and/or funds from other external sources. It is the policy of TWU that committed cost sharing shall be proposed, approved, and documented in a consistent and reasonable manner. This policy is established to comply with the requirements of OMB Circular A-110, OMB Circular A-21, and to satisfy the audit requirements of OMB Circular A-133. Committed cost sharing on a sponsored project is a legally binding obligation and is subject to audit requirements to the same degree as all University expenditures.

### **Definitions:**

**Mandatory Cost Share:** University resources committed to a funded project to meet explicit funding agency requirements.

**Voluntary Cost Share:** University resources committed to a funded project but not required by funding agency. Voluntary committed cost share becomes mandatory upon receipt of award.

**Voluntary Uncommitted Cost Share:** Cost sharing that is neither mandatory nor voluntarily committed in the budget and program description of a funding proposal. Voluntary uncommitted cost share is not documented or reported to funding agency.

### **Cost Share Commitment Requirements (at the proposal stage):**

1. Any cost share committed in a funding proposal must be approved by the individual with budgetary authority over the obligated funds (i.e., department chair, dean, or department director). This person commits the funds by signing the proposal approval form and designating the account number from which the funds will be drawn.
2. Voluntary cost share:
  - a. Must be approved by the funding applicant's academic dean and/or vice president via signature on the proposal routing form.
  - b. Requires written justification that includes:
    - i. rationale for the commitment, i.e., increased likelihood of receiving the award
    - ii. documentation methods, i.e., Personnel Activity Reports (PARs), invoices, purchase orders, and letters of commitment.
    - iii. cost share reporting requirements of the funding agency or any applicable regulatory agency.

### **Allowable cost share expenditures:**

1. Are verifiable from University records.
2. Are not included as contribution for any other funded project.
3. Are incurred for the specific program and are necessary and reasonable for accomplishment of program objectives.
4. Are allowable under OMB Circular A-21 on federally funded projects.
5. Are allowable and allocable under the terms of the sponsoring award.
6. Are allowable under applicable cost principles and TWU procurement policies.
7. Are allowable as employee salary and wage compensation to the extent that the total compensation conforms to established TWU personnel policies and that these policies are consistently applied.

8. Are not paid by the federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
9. Are included in the approved project budget and budget narrative and referenced in the proposal narrative.
10. Are incurred during the project period of the award.
11. Conform to the provisions of OMB Circular A-110 as applicable.

### **Cost Sharing conditions for subcontracts**

A cost-sharing requirement shall be included in the terms and conditions of subcontract agreements when cost sharing is flowed down to subcontractors or consortium partners. The sub-awardee is responsible for maintaining the documentation of such costs and providing that documentation upon request.

### **Third-Party/External Contribution**

External cost share contributions:

1. shall be pledged in writing at the proposal stage,
2. shall include the amount committed,
3. shall be signed by an authorized official of the external contributor,
4. shall be required to certify in writing at the end of the funding period that the commitment has been met and that the value of the goods and/or services can be documented.

### **Documentation of Cost Share**

The Principal Investigator (PI) on a funded project shall provide documentation on all cost shared expenditures other than indirect costs to the Office of Research and Sponsored Programs (ORSP) on an annual basis. Documentation of cost share is ultimately the responsibility of the department committing the cost share.

1. Cost shared personnel expenditures are documented on PARs (link to ORSP website), hourly time sheets, lump sum payments, and other payroll documents.
2. Cost shared expenditures of consumables, services, and capital equipment can be documented by invoices, Inter Departmental Transfers (IDTs), Payment Vouchers, or Oracle reports such as the Budget Manager's Detail.
3. Cost shared travel expenditures can be documented by paid travel vouchers or check requests (if student travel).
4. External cost share contributions can be documented on External Collaborator Cost Share Contribution Statements or by other documentation signed by the source's authorized official.

The Office of Research and Sponsored Programs (ORSP) is responsible for administering cost sharing procedures and is authorized to update and modify procedures and documents as necessary to comply with federal, state and University regulations. ORSP is also responsible for ensuring that TWU personnel are informed about current cost sharing procedures and requirements.