

## RESEARCH

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Supersedes: N/A

Related Policies: N/A

### Responsible

Office/Department: Office of  
Research Administration and  
Finance

Keywords: Cost-Share; In kind  
Contribution; Matching

## Policy on Cost Sharing

### I. Purpose and Scope

Northeastern University does not encourage cost sharing commitments in sponsored research, and generally will not commit university resources to a project unless required to do so by the sponsor. This policy provides the process for approval for cost sharing arrangements, and explains the requirements for how any such arrangements are proposed, accounted for and reported. It applies to all sponsored projects where a commitment of University resources is proposed to be made.

### II. Definitions

For purposes of this policy,

**Cost sharing** should meet federal requirements as defined in applicable Uniform Guidance Sections 200.29, 200.99, and 200.306, and means the portion of the total project or program that is not borne by the sponsor. It includes contributions in general, either cash or in-kind, contributed by the university, as well as matching of funds under a specific ratio or dollar-for-dollar match. Cost sharing might take the form of a commitment of faculty effort, an outlay of university funds, or the use of equipment or supplies.

**“Cost sharing,” “match” and “in kind” contributions** are all terms that refer to project costs that are supported by funding sources other than the primary sponsor. Although the terms are sometimes used interchangeably, the University defines **direct cost sharing** as out of pocket project costs contributed by the University. **Match** is defined as funding that is pledged to match a portion of the primary sponsor’s funding and may be in the form of cash or a third party in kind contribution. **In kind contribution** refers to non-cash contributions generally provided by a third party that are not recorded in the University’s accounting system but can be assessed a cash value.

**Mandatory or Required Cost Sharing** is required by the sponsor as a condition of obtaining funding.

**Voluntary Committed Cost Sharing** is not required by the sponsor but is committed by the University in the proposal. Not all sponsors allow proposals to include voluntary committed cost sharing.

**Voluntary uncommitted cost sharing** refers to university faculty effort that is over and above that which is committed and budgeted for but not charged to the sponsored agreement. Voluntary uncommitted cost sharing should not be recorded as organized research.

### **III. Policy**

Northeastern University will comply with and administer sponsor-mandated requirements for cost sharing commitments according to the requirements set forth in this policy. Voluntary cost sharing is also subject to this policy, but will only be approved when clearly within the best interests of the University and in furtherance of a significant university objective. Since cost sharing has a programmatic, administrative and financial impact on the university, and may have a negative impact on the University's indirect cost rate, all cost share must be approved in advance by the Department and College.

**PI's must confer with and obtain approval from the Department Chair, Dean and/or appropriate Dean's designee regarding any cost sharing prior to submitting a proposal to ORAF for review. Any request for cost-sharing must be made and documented within the proposal by the PI at the time of submission.**

It is the responsibility of the Principal Investigator to identify and provide resources for cost sharing of direct costs. These direct costs for cost sharing cannot be funded from any federal source unless explicitly identified by statute. If a nonfederal grant is used for cost sharing the grant must explicitly state, by the awarding entity in its terms and conditions, that the funds can be used for cost share.

The tracking, reporting and certifying of direct cost sharing and matching are subject to audit to the same extent as other direct project costs. Requirements for acceptance of direct cost sharing and matching contributions in grants and cooperative agreement are defined in the applicable Uniform Guidance Sections 200.29, 200.99, and 200.306.

Cost sharing may not be used to cover unexpected project expenses, or as a way to accommodate cuts in a proposal's budget. If a proposal includes mandatory cost-sharing, and the sponsor reduces the amount of an award from that sought, a corresponding reduction in the cost sharing commitment must be sought.

#### **IV. Additional Information**

Institutional funds will only be provided for mandatory cost share. It is the responsibility of the department or college to fully fund voluntary cost share. Deans may make requests for institutional cost share to the Senior Vice Provost for Research outside the scope of this policy if they believe an exception is warranted due to unusual circumstances/opportunities.

See ORAF website for guidance and procedures on cost sharing.

For federal requirements for cost sharing, see the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:

[2 C.F.R. Section 200.29](#)

[2 C.F.R. Section 200.99](#)

[2 C.F.R. Section 200.306](#)

#### **V. Contact Information**

Associate Vice Provost for Research Administration  
Office of Research Administration and Finance  
960 RP  
617-373-5600