



**THE GEORGE  
WASHINGTON  
UNIVERSITY**  
WASHINGTON, DC

**Responsible University Official:**  
Director, Grants and Contracts Accounting  
Services  
**Responsible Office:** Grants and  
Contracts Accounting Services  
**Last Revised Date:** December 19, 2014

## **COST SHARING ON SPONSORED PROJECTS**

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### **Policy Statement**

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It is university policy to comply with all Mandatory Cost Sharing requirements imposed by sponsors and with all Voluntary Cost Sharing commitments made to sponsors by the university. The university does not encourage Cost Sharing unless required by the sponsor. All Committed Cost Sharing is subject to the internal approval requirements of this policy, whether voluntary or mandatory. When Voluntary Committed Cost Sharing has been approved for a proposal submission to a sponsor, the commitment must be fulfilled for any resulting award as if the Voluntary Committed Cost Sharing were Mandatory Cost Sharing.

All costs proposed in fulfillment of Mandatory or Voluntary Committed Cost Sharing on a sponsored project must be verifiable from the university's records; not included as contributions for any other sponsored project; not paid by another sponsored project unless allowed by the sponsor; necessary and reasonable for the project or program objective; and allowable under the applicable cost principles and administrative regulations, and/or the terms and conditions of the specific award.

### **Reason for Policy**

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The purposes of this policy are (a) to establish consistent criteria for costs to qualify as Cost Sharing on sponsored projects, and (b) to specify limitations and internal approval requirements for Cost Sharing.

### **Who is Governed by this Policy**

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Faculty and staff

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## Policy

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Cost Sharing occurs when the university participates in the cost of conducting sponsored projects. Funding for Cost Sharing may be obtained from either university funds or third parties.

### Criteria for Cost Sharing of Direct Costs

All direct costs to be included as Cost Sharing must be:

- a) Necessary and reasonable for proper and efficient accomplishment of project or program objectives;
- b) Allowable and allocable in accordance with the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) or – for funding effective before December 26, 2014 - OMB Circular A-21, Cost Principles for Educational Institutions (2 CFR §220) and/or OMB Circular A-110 (2 CFR § 215), collectively referred to as Federal Guidance;
- c) Allowable in the context of the university's [Identification and Treatment of Unallowable Costs Policy](#);
- d) Verifiable and accounted for in the university's accounting records; and
- e) Provided for in the approved budget.

In addition, cost-shared expenses may not be:

- a) Expenses that are already included as Cost Sharing under another sponsored project; or
- b) Paid by any federal sponsor under another sponsored project, unless authorized by federal statute for that purpose and/or with written approval of both sponsors.

Federal regulations do not allow the following types of expenses to be used as Mandatory Cost Sharing:

- Any costs that are classified as F&A costs according to Uniform Guidance section 200.414, unless expressly permitted by the sponsor.
- Salary dollars in excess of statutory or regulatory salary caps, such as the National Institutes of Health (“NIH”) salary cap. Notwithstanding this restriction, these costs meet the definition of Mandatory Cost Sharing and are recorded as such in order to comply with other NIH reporting requirements and effort reporting requirements.

### **Voluntary Uncommitted Cost Sharing**

Voluntary Uncommitted Cost Sharing is Cost Sharing provided by the university without its having committed to doing so, either in the proposal for a sponsored project, the resulting award, or otherwise, most often arising when effort is devoted to a sponsored project above and beyond that which is committed and budgeted for in the proposal or award. Voluntary Uncommitted Cost Sharing is not generally subject to any sponsor restrictions, and the provisions of this policy that limit what costs may be treated as Cost Sharing does not apply to Voluntary Uncommitted Cost Sharing. In addition, in accordance with the university’s [Effort Reporting Policy](#), Voluntary Uncommitted Cost Sharing in the form of uncompensated effort on sponsored projects must be included as part of Total University Effort, as defined in the Effort Reporting Policy, although it need not be reported as effort on any particular sponsored project.

### **In-kind Cost Sharing**

Donated property and third party goods and services may, under specific circumstances, be counted as in-kind Cost Sharing. For federal sponsored projects, the requirements are set forth in the Uniform Guidance Subpart D - Post Award Requirements Standards for Financial and Program Management. Many non-federal sponsors have rules on In-kind Cost Sharing that should be consulted where applicable. The approval procedures for In-kind Cost Sharing are the same as for other types of Cost Sharing.

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## Definitions

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<b>Cost Sharing</b>	The portion of the cost of a sponsored project borne from either university funds or another allowable source of funds (such as a separate non-federal sponsored project award), or some combination thereof, rather than by the external sponsor.
<b>Mandatory Cost Sharing</b>	A requirement for Cost Sharing identified by the sponsor in the sponsored project, notice of award, program guidelines or other written communication.
<b>Voluntary Committed Cost Sharing</b>	Voluntary Cost Sharing that is committed to by the university in the proposal for a sponsored project.
<b>Voluntary Cost Sharing</b>	Cost Sharing provided by the university other than in fulfillment of a Mandatory Cost Sharing requirement. Voluntary Cost Sharing may be either committed or uncommitted.
<b>Voluntary Uncommitted Cost Sharing</b>	Voluntary Cost Sharing that the university undertakes without having committed to do so, either in the proposal for a sponsored project or otherwise.

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## Related Information

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- [2 CFR Part 200 \(Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards\)](#)
- Subpart D - Post Award Requirements Standards for Financial and Program Management 200.306
  - Subpart E –Cost Principles 200.403, 200.404, 200.405
- [2 CFR Part 220 \(Office of Management and Budget Circular A-21\)](#)
- [2 CFR §215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations](#)
- [Office of the Vice President for Research, Information about Cost Sharing Effort Reporting Policy](#)
- [Identification and Treatment of Unallowable Costs Policy](#)

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## Contacts

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Contact	Telephone	Email
Grants and Contract Accounting Services	571-553-4242	
Office of the Vice President for Research	202-994-6255	askovpr@gwu.edu

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## Document History

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- **Last Reviewed Date:** April 14, 2017
- **Last Revised Date:** December 19, 2014
- **Policy Origination Date:** July 1, 2001

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## Who Approved This Policy

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Leo M. Chalupa, Vice President for Research  
Louis H. Katz, Executive Vice President and Treasurer  
Forrest Maltzman, Provost and Executive Vice President for Academic Affairs  
Beth Nolan, Senior Vice President and General Counsel

*This policy, as well as all [university policies](#), are located on the [Office of Compliance and Privacy's](#) home page.*