I. Introduction

This policy establishes guidelines for cost sharing on external funding administered by the University Corporation at Monterey Bay (“University Corporation”). Cost sharing shall be made only when required and then only to the extent necessary to meet the specific requirements of the sponsor. At the time of proposal, all committed cost share must be detailed as to source and approved on the Proposal Routing Form. In rare cases where additional voluntary cost share is deemed necessary, it shall be clearly noted as additional cost share on the proposal routing form. Additionally, the mandatory level of cost share shall be identified and a justification shall be given for why the additional voluntary cost share is necessary. The voluntary cost share shall be approved by all required signatures on the Proposal Routing Form.

II. Purpose

The purpose of this policy is to ensure the University Corporation’s compliance with federal regulations governing cost sharing (or matching) on sponsored projects. This policy is intended to reflect the University Corporation’s commitment to the principles, goals, and ideals described in the CSUMB Vision and its core values.

III. Authority

OMB A-110, Section 23 details the regulations on how institutions must account for and maintain cost sharing contributions.

IV. Terms and Definitions

A. Cost Share: The allowable costs of a project not borne by the awarding agency. These contributions may be provided by CSUMB, the University Corporation, other externally funded projects, and/or third parties.

B. Match: For the purposes of this cost share policy, “match” is synonymous with “cost share”.

C. Mandatory Cost Share: Cost share that is required by the funding agency by law, statute or agency guidelines.

D. Voluntary Cost Share: Cost share that is not required by the funding agency. If described in the proposal, voluntary cost share becomes a commitment at the time an award is made.

E. Committed Cost Share: Cost share, whether mandatory or voluntary, that has been promised to the funding agency within the proposal or award. This cost share represents a binding commitment.
F. **Cash Match**: Actual cash outlay by either other non-Federal projects or third parties.

G. **In-Kind**: The value of all non-cash contributions, including services, provided by the project and/or non-Federal third parties. The value of these contributions shall be established in accordance with applicable cost principles.

H. **Third-party Contributions**: Contributions of services and/or cash provided by non-campus entities (e.g. non-federal public agencies and institutions, private organizations, individuals).

I. **Volunteer Time**: Uncompensated effort on a project. Volunteer time must be documented in terms of hours worked. The value of the work performed is calculated at a rate comparable to what compensation would be.

V. **Cost Share Requirements**

Cost share commitments shall only be made when required and then only to the extent necessary to meet the specific requirements of the funding agency.

In compliance with OMB A-110, all cost share contributions shall meet the following criteria:

A. Are verifiable from the recipient’s records,

B. Are not included as a contribution for any other federally-assisted project or program,

C. Are necessary and reasonable for proper and efficient accomplishment of project or program objectives,

D. Are allowable under the applicable cost principles,

E. Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching,

F. Are provided for in the approved budget when required by the Federal awarding agency, and

G. Conform to other provisions of federal regulations, as applicable.

Costs documented as cost share shall fall within the project period of the award.

Third-party in-kind contributions shall follow the process for In-Kind Gifts as detailed in the “Private Gift Procedures Reference Manual”.

Full-cost recovery for indirect cost is mandatory. If the agency requires a lower indirect cost rate, then unrecovered indirect cost may be used as cost share only with written approval from the funding agency, either by direct approval, stated in the RFP or within the agency’s formal policies.

Volunteer services are allowed if the services are necessary and integral to the success of the project. Rates for volunteer services shall be consistent with those paid for similar work.
VI. Process

At the time of proposal, all committed cost share must be detailed as to source and approved on the Proposal Routing Form. In rare cases where additional voluntary cost share is deemed necessary, it shall be clearly noted as additional cost share on the proposal routing form. Additionally, the mandatory level of cost share shall be identified and a justification shall be given for why the additional voluntary cost share is necessary. The voluntary cost share shall be approved by all required signatures on the Proposal Routing Form.

At the time of award, the Project Director shall be made aware of the project’s cost-sharing commitment and his/her responsibilities in this regard through the Grants & Contracts Project Orientation process.

The Office of Grants and Contracts shall maintain the records for committed cost share for externally funded projects. On a quarterly basis, Grants & Contracts shall disburse cost share worksheets to all Project Directors whose project(s) include a cost share commitment. The cost share worksheets shall include detailed information on all committed cost share for that project and all documented cost share received and verified to date.

Project Directors shall gather and attach documentation towards meeting their cost share commitment. Each Project Director shall certify and return the cost share worksheet to Grants and Contracts.

All cost sharing documentation shall be reviewed by Grants and Contracts staff for compliance of OMB A-21 and A-110 regulations, including but not limited to allowability.

VII. Acceptable Documentation

Cash matching shall require accounting statements clearly identifying the costs associated with the identified project.

In-kind cost sharing involving time & effort shall require documentation & certification on the University Corporation’s Effort Certification Statement.

Third-party cost sharing shall be documented by a letter from the third party. This letter shall give detail of all cost share items, be signed by an authorized third party representative and must have acceptable documentation (as defined above) attached.

Volunteer services shall be documented by a letter of certification identifying the dates, number of hours of volunteered time, comparable hourly rate and calculation of dollar value. Additionally, a brief description of services shall be provided on the letter of certification.

VIII. Oversight and Responsibilities

The Project Director shall be responsible for:
A. Providing documentation for committed cost-share in a timely manner,
B. Certifying that the cost share has not been committed to other projects,
C. Certifying that the cost share was necessary for completion of the identified project, and
D. Identifying and documenting additional sources of cost share if committed cost share sources fall short of anticipated levels.
The Institute Directors and College Deans (or other appropriate Administrator, if applicable) are responsible for:
A. Verifying the cost share committed on the Proposal Routing Form,
B. Verifying the quarterly cost share reports and corresponding documentation, and
C. Identifying and documenting additional sources of cost share should the Project Director be unable to meet the cost share commitment.

The Office of Grants and Contracts shall have oversight and compliance of the cost share process. Grants & Contracts shall maintain the cost share documentation and assist with reporting cost sharing to the funding agency (in accordance with the funding agency regulations).

IX. Adoption and Review
A. The University Corporation’s Board of Directors has adopted this Cost Share Policy, dated 19 December 2002. The University Corporation’s Board of Directors has adopted this Cost Share Policy – B, dated 24 June 2010.

B. This policy shall be evaluated ten years from its adoption date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the University Corporation or any change required by law or by other governing policy.

Any proposed amendments or variations of this policy would require a majority approval by the University Corporation Board of Directors.

X. Related Documents
A. 567-001-A: Cost Share Worksheet
B. 567-002-A: Effort Certification Statement