



Western Michigan University
Kalamazoo, MI 49008

Effective Date: April 1, 2019

PROPOSE AND REQUEST COST SHARE FOR EXTERNALLY FUNDED PROPOSALS PROCEDURE

1. Purpose

The purpose of this procedure is to provide direction and process for proposing and requesting cost share on externally funded sponsored projects.

2. Background

- 2.1. Cost share is the portion of the total project costs of a specific sponsored agreement that is borne by WMU rather than the sponsor. Cost share normally represents a reallocation of departmental or school resources to partially support an externally sponsored project.
- 2.2. Unnecessary cost share adds an administrative cost and burden to the principal investigator, the department, and other administrative functions on campus due to the need for creating an adequate and auditable paper trail for those costs. Undocumented or improperly documented cost share leaves WMU vulnerable to audit findings.
- 2.3. Cost share approval is made on a case-by-case basis, but ***requests should only be made when specifically required by the sponsor***. Voluntary cost share and commitments in excess of the amount required is discouraged.

3. Definitions

- 3.1. **Mandatory Cost Share:** Cost share that is required by the sponsor. When cost share is mandatory, the requirement for cost share will be described in the application guidelines. If the sponsor is silent about cost share or states that cost share is “encouraged,” cost share is not considered to be mandatory. For mandatory cost share the sponsor may require a certain percentage/type of cost share or that applicants “match” the sponsor’s contribution according to a certain formula. Any quantifiable cost share described in the proposal then becomes a condition of the award that results and must be documented and reported to the sponsor.
- 3.2. **Voluntary Cost Share:** Cost share is considered “voluntary” when an applicant describes a quantifiable amount of resources it will contribute to the project in the proposal even though the sponsor does not explicitly state in the proposal guidelines that cost share is required.
- 3.3. **Voluntary Committed Cost Share:** Federal sponsors view any voluntary cost share offered at the proposal stage as “committed” cost share at the award stage. This means that any quantified cost share offered in a proposal that is submitted to a federal sponsor becomes fiscally and/or programmatically auditable and must be documented and reported to the federal sponsor if the proposal is funded.

- 3.4. Voluntary “Uncommitted” Cost Share (VUCS):** VUCS refers to any effort or resources contributed to the sponsored project beyond that which is committed and budgeted for in a sponsored agreement. Such voluntary uncommitted cost share is not included in either the proposal budget or the narrative.
- 3.5. Third Party “In-Kind” Contributions:** This is the **computed value** of any services and/or resources provided by a third-party in support of a sponsored project being administered by the University. Third-party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, or goods and services directly benefiting and specifically designated for the University’s project or program.
- 3.6. University “Cash” Contributions:** The University can make a cash contribution to a sponsored project for cost share purposes in two ways:
 - 3.6.1. Contributing the computed value of the effort that University-paid personnel are expending on the project without reimbursement from the sponsor, including fringe benefits.
 - 3.6.2. Contributing monies from a University gift, endowment and/or other unrestricted fund to pay for any of the direct costs associated with a sponsored project (e.g., salaries, fringe benefits, travel, equipment etc.)
- 3.7. Contributed F&A:** This refers to the F&A associated with any cash contributions being made to the project by the University. For example, if the PI plans to contribute time and effort to the project without compensation from the sponsor, the monetary value of this effort as well as the F&A associated with it may be offered as cost share. Contributed F&A is always calculated using the F&A rate appropriate for the activity that the University has negotiated with the DHHS or, if the sponsor limits F&A, at the rate allowed by the sponsor. See [Facilities and Administrative \(Indirect Cost\) Rates](#).
- 3.8. Waived F&A:** When F&A is “waived” the University agrees not to charge its federally negotiated F&A rate to the sponsor or to use a lower rate. The portion waived is considered “unrecovered F&A”. Waived or unrecovered F&A is typically not allowed as cost share and can only be used as cost share **if this is explicitly allowed by the sponsor**. The University will not waive F&A just to obtain cost share. All F&A waiver requests must be approved by the Vice President for Research via the process on the OVPR website.

4. Procedure

Identifying and securing resources for cost share of direct costs (including equipment), is primarily the responsibility of the Principal Investigator (PI) working together with his/her department chair and associate dean for research.

- 4.1.** When a PI intends to submit a proposal that includes cost share, the lead PI should notify their OVPR research officer as early in the process as possible. Requests for cost share are encouraged as soon as the proposal preparation begins, but not less than three weeks in advance of the submission deadline. The PI will work with the Research Program Officer (RO) to develop an estimated budget for the sponsor request and the cost share request. The RO can also give advice about what can and cannot be used as cost share.
- 4.2.** The PI should then submit a cost share request to the PIs department chair/unit director. The request for cost share should include the following information:
 - 4.2.1. Brief project description
 - 4.2.2. List of participants

- 4.2.3. Estimated budget including anticipated Facilities and Administrative (F&A) recovery
- 4.2.4. Sponsor requirements for cost share (percentage required, mandatory vs. voluntary, total dollar amount needed)
- 4.2.5. Proposed costs used as cost share (i.e. graduate assistant support, release time, supplies, etc.)
- 4.3.** The department chair will determine how much their unit can cover. If there are other departments involved (i.e. Co-PIs) the department chair/unit director should make a request to those units for additional cost share. This request should contain all of the above information and should clearly indicate the cost share already committed, and any information regarding the specific request from that unit in terms of dollar amounts or type of support (faculty time, etc).
- 4.4.** If, after the department(s) have indicated their commitment, additional funds are required, the lead PI's chair should forward the request to the associate dean for research for consideration.
- 4.5.** If the request is supported at the school/college level but additional cost share is required, the associate dean should forward the request for joint consideration by the Office of Vice President for Research (OVPR) and the Office of Vice President for Academic Affairs (OVPA) with an additional recommendation clearly indicating the commitment from the faculty, department, and school/college levels. The WMU Cost Share Request form must be submitted with the request and is due 21 business days in advance of the submission deadlines. Note: It is expected that requests to OVPR and OVPA are for proposals to benefit the university.
- 4.6.** If the request is not supported at the chair and/or school/college level but additional cost share is required, the lead PI should send the form as completed with an attachment (i.e. letter or email) demonstrating that cost share was requested of the department and school/college and rejected. The VP for Research and Provost may contact the chair and/or school/college to discuss the proposal.
- 4.7.** The PI will work the RO to properly document all cost share commitments on the Proposal Approval Form prior to routing for approval.
- 4.8.** Only cost share that is properly documented and approved via the Proposal Approval Form can be included in the proposal to the sponsor.
- 4.9.** Once a proposal is funded the PI will be expected to assist OVPR in documenting the cost share.
- 4.10.** Previously approved cost share cannot be guaranteed for proposal resubmissions. Reapproval is required.

