

## Cost Sharing - Frequently Asked Questions

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**Question:** If a proposal voluntarily offers cost sharing does that represent a binding commitment if the proposal is awarded?

**Answer:** Yes. Cost sharing that is identified in the proposal represents a binding commitment if awarded, regardless of whether it is mandatory or voluntary.

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**Question:** Can cost sharing expenses consist of expenses that are unallowable on a Federal grant/contract?

**Answer:** No. One of the criteria to determine if a cost sharing expenditure is appropriate is that it must meet the allowability criteria set forth in the Uniform Guidance.

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**Question:** Should cost overruns be treated as cost sharing?

**Answer:** Yes. If the cost overrun consists of allowable costs and occurred because there were not enough funds awarded, then the overrun should be treated as cost sharing.

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**Question:** Do amounts in excess of the NIH salary cap represent cost sharing?

**Answer:** Yes. The NIH salary cap is a legislated cap on salary reimbursement rates and amounts in excess of the cap represent cost sharing.

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**Question:** If a faculty member cost shares effort that occurs after working 40 hours does this need to be recorded as cost sharing?

**Answer:** Yes. This would be considered cost sharing; however, please note that a full time equivalent (FTE) for faculty effort is not defined in terms of a 40-hour workweek. A faculty FTE is defined as 100% effort which is defined as the total of all effort performed during a defined work period regardless of the number of hours worked.

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**Question:** What is the relationship between the space inventory and cost sharing?

**Answer:** The coding of space in the University's Space Inventory System must be consistent with the coding of expenditures in the accounting system. Auditors confirm this consistent treatment during the review of the University's indirect cost proposal.

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### Related Documents

Uniform Guidance – <https://www.ecfr.gov>

NIH Grants Policy Statement – <https://grants.nih.gov/policy/index.htm>

NSF Requirements – <https://www.nsf.gov/bfa/dias/policy/>