

LEARN MORE: Cost Sharing & Northeastern's Contribution to Research

NU-RES

February 2020



Northeastern University

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Research
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IBC**

**NU
Compliance
Export
Control,
Annual COI
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**ITS
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**College
Associate
Deans
(FCOI)**

**NU-RES
Administration
Compliance
Finance**

**Office of
General
Counsel**

**Funding Agencies
Sponsors**

Institutional Certifications and Assurances

- Northeastern University, as a grantee, provides at the time of proposal submission and throughout the life-cycle of an award certification and assurances that it is in full compliance with all relevant laws, rules and regulations.
- How each grantee implements its research management responsibilities varies but all grantees should include documented practices that address specific regulatory requirements.
- Some regulations required that the grantee monitor the research activity; monitoring involves verification and tracking of compliance with a specific term or condition of the award.

Learning Objectives

- Understand your and NU-RES' role in verifying that investigators and Northeastern have complied with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (more commonly known as UG or Uniform Guidance)
- Understand the different types of cost sharing and which types of cost sharing are subject to audit.
- Distinguish between an auditable cost share and other costs that are contributed to the project by Northeastern.
- Understand how cost-sharing and under recovery of F&A undermine future negotiated rate agreements.
- Understand the impact of Northeastern's contribution to extramurally-funded research.

KEY CONCEPTS

Cost Sharing

- Stipulated/Mandatory
- Voluntary Committed
- Voluntary Uncommitted

Facilities & Administrative Costs

- Stipulated Under Recovery
- Voluntary
- Authorized Contribution to Mandatory Cost Share

KEY CONCEPTS

- **Cash v. In-Kind Contributions**
- **Salary Cap v. Salary Limitations**
- **Quantify (measure) v. Qualify (describe)**
Budgets & Budget Justifications = Quantifiable
- **Third-Party Contributions to Cost Share**
- **Multiplier Effect**

FEDERAL REGULATIONS

Cost Sharing means the amount or proportion of the project costs that are not paid by the funding agency. See also 2 CFR 200.29

- No expectation of Cost Sharing, 2 CFR 200.36
- NIH Salary Cap does not constitute Cost Share
- No Federal funds can be used to meet the cost share requirement.
- Unrecovered F&A can only be used to meet a cost share requirement if the Agency provides approval.

§ 200.306 Cost sharing or matching.

(a) Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. Furthermore, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the indirect (F&A) cost rate or reflected in any allocation of indirect costs. See also §§200.414 Indirect (F&A) costs,

FEDERAL REGULATIONS

Memoranda 01-06 -- Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs

January 5, 2001

M-01-06

In addition, most Federally-funded research programs should have some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government. This effort can be provided at any time within the fiscal year (summer months, academic year, or both). Such committed faculty effort shall not be excluded from the organized research base by declaring it to be voluntary uncommitted cost sharing. ***If a research program research sponsored agreement shows no faculty (or senior researchers) effort, paid or unpaid by the Federal Government, an estimated amount must be computed by the university and included in the organized research base.*** However, some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student augmentation, do not require committed faculty effort, paid or unpaid by the Federal Government, and consequently would not be subject to such an adjustment.

NORTHEASTERN'S POLICY

Northeastern University

Policy on Cost Sharing

RESEARCH

Effective Date: July 1, 2009

Date Revised: February 25, 2019

Supersedes: N/A

Related Policies: Policy on Costs for Sponsored Agreements

Responsible

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.

TYPES OF COST SHARING

Type	Proposal	Award
Mandatory/Stipulated	Costs related to the specific project will be contributed by Northeastern or a 3 rd Party and documented as a condition of submitting the proposal.	<ul style="list-style-type: none"> • Companion Account • Financial Reports • Audit
Voluntary Committed	Costs related to the specific project that Northeastern voluntarily agrees to pay for as documented in the budget and/or budget justification	<ul style="list-style-type: none"> • Companion Account • Financial Reports • Audit
Voluntary Uncommitted	Costs incurred by Northeastern over and above what was committed and budgeted for in the proposal	Not tracked or audited.

GUIDANCE

- **Necessary**
- **Allowable**
- **Allocable**
- **Budget Period – Period of Performance**

FACILITIES & ADMINISTRATIVE COSTS

- **DHHS Rate Agreement**
- **Non-Federal Funding Agencies Stipulated Rates**
- **Voluntary Under Recovery of F&A**
- **Recovery & Rebate**
- **Contributed F&A v. Waived**
- **Funding Agency's approval**
- **Committed Cost Sharing's Impact on Future Rate Agreements**

NORTHEASTERN'S F&A RATE AGREEMENT

Indirect Costs of Research

Direct Costs of Research *

= Negotiated Rate %

*includes Cost Share and Attributed Effort

COST SHARE APPROVAL FORM

<https://research.northeastern.edu/app/uploads/sites/2/2019/11/Cost-Share-Template-FINAL-2-20-20.xlsx>

COST SHARE TEMPLATE							
	Type	Fiscal Year	Amount	ORG	CS FUND #	Comments	Approval email/letter attached or ePAWs approver?
Period 1							
Period 1 Subtotal			\$0.00				
Period 2							
Period 2 Subtotal			\$0.00				
Period 3							
Period 3 Subtotal			\$0.00				
Period 4							
Period 4 Subtotal			\$0.00				
Period 5							
Period 5 Subtotal			\$0.00				
Total Project Cost Share			\$0.00				
INSTRUCTIONS:							
Step 1: Choose the cost share type description from the dropdown list							
Step 2: Enter the Fiscal year in which the cost share is committed (linked on requested start date of each budget period)							
Step 3: Enter the cost share \$ amount for each cost share funder and year <i>(Add extra lines for additional cost sharing ORGS/Fund#'s. making sure the additional lines are added to the sub/totals.)</i>							
Step 4: Enter the Banner Org #'s of funding College/Provost/etc.							
Step 5: Enter the Banner Cost Share FUND#							
Step 6: Enter any comments if necessary							
Step 7: Confirm approvals by attached email or ePAWs approver							
When a cost share commitment is included in the proposal, it is considered to be a firm commitment and must be tracked accordingly. Therefore, NU-RES and the College must track and report on that cost share commitment. Accordingly, if cost share was included in the proposal, even if the sponsor did not require it, NU-RES will need a budget, including the accounts from which to transfer the funds, in order to ensure NU meets its obligation to the funding agency.							

PROJECT CAPTURE

Obligation Period:	Budget Period:	<input type="text"/>			
Start: <input type="text" value="3/17/20"/>	End: <input type="text" value="1/31/21"/>	<input type="text"/>	<input checked="" type="checkbox"/>	Advance Account Established (see above)	SalaryCap: <input type="text"/>
F&A Calculation: <input type="text" value="on MTDC"/>			<input type="checkbox"/>	Cost-Share Account Required	Voluntary Committed Cost-Share: <input type="text"/>
Rate: <input type="text" value="10.00%"/>	F&A: <input type="text" value="\$ 14,357.00"/>		<input type="checkbox"/>	Separate Sub/Child Account Required	Stipulated Committed Cost-Share: <input type="text"/>
Base: <input type="text" value="\$ 143,572.00"/>	TDC: <input type="text" value="\$ 143,572.00"/>		<input type="checkbox"/>	Total Award Cap/Limited	Direct Cost Subtotal: <input type="text" value="\$ 0.00"/>
Amount Obligated by this Action: <input type="text" value="\$ 157,929.00"/>				Agreement Type: <input type="text"/>	<u>Under Recovery of F&A</u>
<input type="checkbox"/> Future Recommended: <input type="text" value="\$ 0.00"/>				Automatic Carryover: <input type="text"/>	Voluntary: <input type="text"/>
Cumulative Amount to Date: <input type="text" value="\$ 157,929.00"/>					Stipulated: <input type="text" value="\$ 67,478.00"/>
Total Anticipated Award: <input type="text" value="\$ 157,929.00"/>					Cost-Share/Salary Cap Related: <input type="text"/>
					Indirect Cost Subtotal: <input type="text" value="\$ 0.00"/>
					Total NEU Contribution: <input type="text" value="\$ 67,478.00"/>

**NORTHEASTERN'S CONTRIBUTION
A FACTOR OF X**

**For every research dollar spent by Northeastern it impacts
the local, national and global communities.**

**In FY19 Northeastern's extramural research funding
exceeded \$144M**

BEST PRACTICE

FOR COMMITTED COST SHARE

- BUDGET
- JUSTIFICATION
- APPROVALS IN WRITING
- COMPANION ACCOUNTS

3RD PARTY CASH OR IN-KIND

DOCUMENTATION OF COMMITMENT

- DOCUMENTATION OF FAIR MARKET VALUE
- ATTESTATION OR CERTIFICATION BASED ON BUDGET PERIOD

UNCOMMITTED COST SHARE

A description may be offered in the narrative or resources section of the application but **be very careful** not to include any quantifiable (e.g. person months/% effort, dollars, etc.) as that may inadvertently convert an Uncommitted Cost into a Committed Cost Share.

For more information please see
<https://research.northeastern.edu/nu-res/>



Or contact NU-RES@northeastern.edu