

Appendix C - UAB Cost Sharing Policy

APPENDIX C

COST SHARING POLICY

There are two types of cost sharing: mandatory cost sharing and voluntary cost sharing.

"Mandatory cost sharing" is cost sharing that is legally required by the awarding agency as a condition of the award. Through "voluntary cost sharing", the university supplements the costs of a sponsored program, even though it is not legally required by the sponsor to do so. It is important to remember that even though cost sharing may simply be proposed in the proposal, it will become legally mandatory cost sharing if accepted by the sponsor as a part of the award or contract.

Cost sharing of UAB buildings or building space must be avoided except in the most unusual of circumstances. Also, UAB discourages cost sharing of equipment except in those cases where obtaining the award is absolutely dependent upon that particular commitment.

Federal cost accounting regulations require that all cost sharing (federal or nonfederal) must:

- Be necessary and reasonable for proper and efficient accomplishment of project objectives;
- Be readily verifiable from the university's official records;
- Be allowable under the applicable cost principles; and
- Not be paid by the federal government under another award (except where authorized by federal statute to be used for cost sharing).

The primary department with which a sponsored program is officially affiliated, is ultimately responsible for meeting cost sharing commitments. If an application to the sponsor includes any cost sharing, then the extramural checklist must reference the matching funds requirement in the proposal and specify the funding source. The approval of all reviewers of the checklist constitutes their commitment to provide those funds immediately upon award.

Implementation

The Vice President for Financial Affairs & Administration through the Grants & Contracts Accounting Department and the Provost through the Office of Grants & Contracts Administration are responsible for developing, implementing, and maintaining the procedures associated with this policy. This policy is effective 10/1/96.