

Cost share FAQ

1. My contract as a tenure track faculty for my 9 month academic appointment clearly states that I should devote a significant amount of my academic time to seek external funding and establish a strong research program. This clearly implies that a substantial part of my effort should be dedicated to research as part of my 9 month salary. Can I state this effort in a grant proposal?

Answer: How the commitment is worded will determine the allowability. You cannot directly commit quantifiable effort to any given project unless you are requesting the salary for effort from the sponsor or meeting mandatory cost share requirements. That does not mean that you cannot perform research activities that relates to a sponsored award. See examples of acceptable and unacceptable statements of uncompensated academic year effort.

Example 1 - Acceptable Statement

Summer salary is requested for 2.4 months of time to conduct studies on The PI will be fully involved in the project throughout the year to ensure that the scope and objectives are met.

Example 2 - Unacceptable effort statement

Summer salary is requested for 2.4 months of time to conduct studies on ... In addition, PI will devote a significant portion of academic year effort as part of their normal 9 month appointment research responsibilities.

Example 3 - Unacceptable effort statement

Summer salary is requested for 2.4 months of time to conduct studies on ... In addition, PI will devote 1 month of academic year effort as part of their normal 9 month appointment research responsibilities.

2. I have spoken with my Program Manager and they said it is fine for me to show unpaid effort in the summer and use funding to support my students. Why is the University telling me I can't?

An acceptable way to present such a situation would be to state in your proposal that although you are not committing a specified level of effort and also not requesting salary support in the summer, you as PI will ensure the scope and objectives are met.

Why: As an employee on a 9 month academic appointment your summer effort is unsupported unless you seek external funding. Committing unpaid effort in the

summer is a violation of labor laws. In addition, there is no auditable way to track the unpaid committed effort without a payroll charge to an account code which will in turn flow through to the effort reporting system. Time and effort tracking and reporting has been the focus of many investigations by the OIG's across the country and has resulted in some very high profile publicized fines, penalties and sometimes debarment to these institutions. The University has done a lot of research at other institutions on this particular item and our policies are line with others.

3. Why will the University not allow me to show voluntary cost share? To be competitive I have to show that I am a good bargain, cost less on my grant and will provide resources to the project so that I have a better chance of receiving funding.

Answer: Some Federal Agencies prohibit the inclusion of voluntary cost share to level the playing field for all types of applicants and addressed a perceived unfair competitive advantage that larger institutions. The restriction of the utilization of non-mandatory cost share has been expanded and will now apply to all federal agencies as of 12/31/14 as governed by the new OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR, Chapter I, Chapter II, part 20; The Uniform Guidance) which replaces OMB Circular A-21.

This does not mean that investigators should not devote effort to projects that do not supply salary, nor does it mean that the University should not contribute resources toward the project. If there is no mandatory cost share requirement, PIs should instead describe their participation in terms that do not commit the institution to a specific percentage of effort or to specific amounts of other non-salary expenses.

4. What is the difference between waived F&A and unrecovered F&A?

Waived F&A – the sponsor allows the inclusion of the federally negotiated rate in the budget however, the University by approval of the F&A waiver process, has agreed to include a lower rate to meet a mandatory cost share situation.

Unrecovered F&A - A sponsor has a published F&A rate that is lower than our federally negotiated rate, the difference between the two rates is considered unrecovered F&A and can be used to meet mandatory cost share requirements if allowed by sponsor.