

MEMO REGARDING MEASURABLE EFFORT AND COST SHARING

TO: FACULTY

FROM: RUTH FARRELL, ASSOCIATE VICE PRESIDENT FOR RESEARCH

DATE: JULY 2008

This email is to remind everyone of the University's policy, *Effort Management and Reporting on Sponsored Awards*, which was adopted last fall.

This policy and supporting guidance may be found on the University's policy website <http://www.uvm.edu/~uvmppg/ppg/?Page=alphalist.php>.

Among other provisions, this policy requires that for all faculty listed in grant proposals effort be included either as a specific percentage of effort or person months. This requirement is consistent with federal guidelines requiring measurable effort for the principal investigator and other individuals who contribute to the scientific development or execution of a project in a substantive way (so called *Key Personnel*). This is a deviation from OSP's past practice of allowing some effort to be indicated as "<5%" with no specific accounting requirements.

In some cases, academic units may volunteer to cost-share required effort. This is allowable and the University's cost-sharing guidance follows below.

Please do not hesitate to be in touch if you have any questions or concerns about proposing effort on sponsored agreements.

Cost Sharing on Sponsored Projects updated 5-27-08

Cost sharing represents effort or other sponsored project costs not borne by the sponsor. Cost sharing is classified as either mandatory (required by the sponsor as a condition of the award) or voluntary (not explicitly required by the sponsor).

Cost Sharing Guideline

The University allows both mandatory and voluntary cost sharing. However, voluntary cost sharing is discouraged and should only be offered for compelling reasons. If voluntary cost-sharing is proposed, it must come from the units(s) involved in the proposed activity (departments/ deans' offices).

Cost Sharing Philosophy

In general, a cost sharing commitment should be made only when required by the sponsor, and then only to the extent necessary to meet the explicit requirements mandated. In some programs, however, cost sharing is stated or inferred as an expectation rather than a mandate. For example, the amount of University commitment or institutional support is listed as a review criterion or the maximum amount of funding allowed for the work expected makes it impossible to include all costs in the sponsor budget. University officials, at all levels, need to distinguish between mandatory cost sharing that is required for participation in certain programs, and voluntary cost sharing that represents a negotiating stance. Because the University's resources for cost sharing are limited, they must be used as strategically as possible.

Proposing Cost Sharing

When cost sharing is proposed in an application it must be included in OSP's PAS budget worksheet according to budget category and the chart string from which the cost sharing funds will be allocated must be indicated on OSP's PAS routing form. An individual with authority to commit the cost sharing resources must indicate approval of the commitment by signing the routing form. The routing form will note whether the cost-sharing is mandatory or voluntary.

Accounting for Cost Sharing

The federal government requires that all committed cost sharing (that quantified or described in a proposal) whether mandatory or voluntary be captured in the University's accounting system, and, if in the form of contributed effort, the effort be certified.