



A MaineHealth Member

## **Maine Medical Center Policy on Voluntary Committed Cost-Sharing**

### **Policy Statement**

Cost sharing or matching funds represent any budgeted, specific project cost incurred by Maine Medical Center (MMC) or another entity that is not reimbursed by the sponsor to support the scope of work defined by the sponsored (federal or non-federal) award. Cost sharing is a commitment of a specific dollar amount by Maine Medical Center or the other entity towards the sponsored project. Cost sharing may be *required* as part of an application, in which case that requirement must be specified by the funding agency within the funding announcement, or can be included in a proposal as *voluntary* committed cost sharing. Specifically, "Voluntary committed cost sharing means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the Federal award on the part of the non-Federal entity and that becomes a binding requirement of Federal award." (Uniform Administrative Requirements section §200.99).

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Sections 2 CFR §200.306 states the following regarding voluntary committed cost sharing:

*"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. See also §200.414 Indirect (F&A) costs, §200.203 Notices of funding opportunities, and Appendix I to Part 200—Full Text of Notice of Funding Opportunity."*

Maine Medical Center discourages cost sharing unless such a commitment is required by the sponsor. It is discouraged because it may have an adverse effect on MMC's recovery of indirect costs. In addition, if voluntary committed cost-sharing is included in a proposal that is awarded, it must be tracked and is auditable. Since federal agencies are now prohibited from considering voluntary committed cost-sharing in their merit review process and funding decisions (*vide supra*), voluntary cost-sharing will not necessarily increase the likelihood of receiving an award. However, MMC recognizes there may be unique circumstances when a voluntary commitment of cost-sharing is needed to ensure the competitiveness of a proposal or because the grant will benefit the research mission or program of the institution, often because resources needed to perform the project are greater than the budget allowed by the sponsor.

If a principal investigator or program director wishes to propose voluntary committed cost-sharing, the following procedure must be followed:

- a) Confirmation that the sponsoring agency does not prohibit voluntary committed cost sharing must be obtained;
- b) Justification of the need for cost-sharing must be formally proposed in writing, followed by:
  - Approval of the Chief of the Department that would provide the cost-sharing, if funded
  - Approval of the Vice President for Research (if research) or Vice President overseeing the submitting department (if non-research)