



# MERRIMACK COLLEGE

## **Cost Sharing Policy** Office of Research and Sponsored Programs

Approved By:	Dr. Christopher E. Hopey, President
Effective Date:	June 1, 2025
Supersedes:	
Official Responsible:	Vice President of Research or their Designee
Legal Counsel Review Date	May 31, 2025

### **I. POLICY STATEMENT**

Merrimack College is committed to ensuring compliance with federal regulations and institutional policies regarding cost sharing on externally sponsored projects. This Cost Sharing Policy (the "Policy") establishes guidelines for proposing, documenting, and reporting cost sharing to maintain financial and regulatory accountability.

### **II. PURPOSE**

This Policy provides a framework for understanding and managing cost sharing commitments to ensure compliance with federal regulations, including the OMB Uniform Guidance 2 CFR 200.306. Cost Sharing. It aims to prevent unnecessary financial burden on the College and ensure proper tracking and reporting of cost sharing expenditures.

### **III. SCOPE**

This Policy applies to all personnel of Merrimack College involved in administering externally sponsored awards that include cost sharing commitments.

### **IV. DEFINITIONS**

- **Cost Sharing:** The portion of project costs not covered by the sponsor but provided by Merrimack College or a third party. Cost sharing may be mandatory, voluntary committed, or voluntary uncommitted.
  - **Mandatory Cost Sharing:** Cost sharing required by the sponsor as a condition of funding and documented in the proposal. These costs must be tracked and may

require reporting. Once the award is granted, mandatory cost sharing represents a binding obligation of the College.

- Voluntary Committed Cost Sharing: Cost sharing explicitly pledged in the proposal but not required by the sponsor. Once included in the proposal, it must be tracked and may require reporting. Like mandatory cost sharing, it represents a binding obligation of the College upon award.
- Voluntary Uncommitted Cost Sharing: Additional effort or resources not documented in the proposal and not required to be reported. This includes faculty effort beyond what was proposed.
- Matching Funds: A specific type of cost sharing where funds are provided in direct proportion to sponsor funding.
- In-Kind: These are cost sharing contributions where the value can be readily determined, verified, documented, and justified but where no actual cash is transacted in securing the goods or services comprising the contribution. When applicable, an estimated value of the in-kind cost sharing must be identified and documented based on the fair market value determined at the time of accepting the award. In-kind cost sharing must be tracked manually by the department/local unit managing the award.
- Over-the-Cap Salary: The portion of a faculty or staff member's salary and associated fringe benefits that exceed regulatory maximum imposed by the sponsor (e.g., National Institutes of Health and Department of Defense salary cap). Over-the-cap salary cannot be used to meet a mandatory or voluntary committed cost sharing requirement, since it is considered an unallowable cost to the sponsor. This should be tracked via companion account for effort reporting.

## V. POLICY

- Cost sharing must comply with the OMB Uniform Guidance and other applicable federal and state Sponsor regulations.
- All cost-sharing commitments must be tracked in the College's financial system and reported per sponsor guidelines.
- Voluntary committed cost sharing is discouraged unless explicitly required by the sponsor or an exemption is requested by the College and received by the Sponsor.
- Unrecovered indirect costs may be included in cost sharing only with sponsor approval.
- Cost sharing commitments become a binding obligation once awarded and must be fulfilled.

### Sources of Cost Sharing

*Acceptable sources include:*

- College discretionary funds
- Departmental or School funds
- Gifts
- Startup funds
- Third-party contributions (cash or in-kind)
- Other non-federal sponsored awards (if permitted by both sponsors)
- Program Income (with sponsor approval)
- Other sponsored award, if permitted

- Facilities and Administration (F&A) funds

*Unacceptable sources include:*

- Federal funds (unless explicitly allowed by federal regulations)
- Salary above NIH caps
- Overdrafts or costs deemed unallowable
- Unfunded academic year effort beyond contractual obligations
- Costs already committed to another sponsored project
- Cost of construction or building renovation unless specifically approved by the sponsor
- Costs that are included and reimbursed through the indirect cost rate (administrative salaries, office supplies, library expenses and operations and maintenance expenses)
- Summer salary and other stipends
- Any costs not necessary and reasonable for the completion of the project

## VI. GUIDELINES

- Double Counting: The same expenses cannot be used to fulfill cost-sharing commitments on multiple projects.
- Third-Party Contributions: Must be properly documented and valued in accordance with sponsor and institutional policies.
- Over-Reliance on Cost Sharing: Excessive cost-sharing commitments can strain institutional resources and reduce financial flexibility.
- Effort Reporting Risks: Personnel effort used for cost-sharing must be tracked and reported accurately to avoid non-compliance.

### Approval and Commitment of Cost Sharing

- The Principal Investigator (PI) must obtain approval from the Vice President of Research, who will coordinate with the appropriate originating office for review.
- In addition, approval must be obtained from an authorized signatory of the College.
- If awarded, the College is bound to fulfill cost sharing obligations, which must be tracked in a separate cost sharing account.

### Documentation and Reporting

- Cost sharing expenditures must be documented in the College's financial system.
- All cost-shared effort must be included in effort reporting.
- Third-party contributions must be documented with signed letters stating the value and nature of the contribution.

### Monitoring and Compliance

- The PI and ORSP are responsible for ensuring that cost sharing commitments are met and properly documented to ensure compliance.
- Any changes to cost sharing commitments require sponsor approval and must be documented.

### **Roles and Responsibilities**

- Principal Investigator (PI): Ensures cost sharing is accurately reported and meets sponsor and College requirements.
- Office of Research and Sponsored Projects (ORSP): Reviews, approves, and monitors cost sharing commitments and compliance.

### **Retention of Records**

Cost sharing records must be retained by the PI and ORSP in accordance with College policy or for a minimum of three years after the final financial report submission or longer if required by the sponsor.

### **Federal Regulations**

- OMB Uniform Guidance- 2 CFR 200.306
- [NIH Grants Policy Statement](#)
- [NSF Proposal & Award Policies and Procedures Guide](#)
- [Federal Acquisition Regulation- Subpart 31](#)

## **VII. RELATED POLICIES**

- Effort and Salary Confirmation Policy
- Institutional Base Salary Policy

## VIII. EFFECTIVE DATE

This policy is effective June 1, 2025.

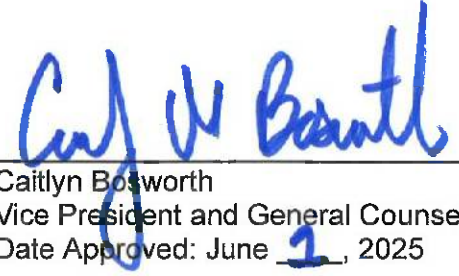
Approved:



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Christopher E. Hopey, Ph.D.  
President

Date Approved: June 1, 2025



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Caitlyn Bosworth  
Vice President and General Counsel

Date Approved: June 1, 2025