Summary:

The University receives federal funding for a variety of research and other sponsored activities. The federal government has clarified that, except in very unusual circumstances, each sponsored project (federal or non-federal) should have allocated to it some level of committed Principal Investigator/Project Director (PI) effort. The University is generally required to charge every sponsor for some portion of faculty effort related to the activity it sponsors.

Definition:

Voluntary uncommitted cost share (VUCC) is an acceptable means for the University to show its support of a project without the need for separately budgeting and accounting for the effort expended. The definition of and parameters for VUCC, as described in OMB Memorandum M-01-06 dated January 1, 2001, must, however, be well understood and closely followed.

The definition of VUCC provided in the OMB memorandum applies only to effort and defines voluntary uncommitted cost sharing effort as "university faculty (including senior researchers) effort that is over and above that which is committed and budgeted for in a sponsored agreement." Although it states that this type of uncommitted effort is not to be included in the research base, it stipulates that, "most Federally-funded research programs should have some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government" and "Such committed faculty effort shall not be excluded from the organized research base by declaring it to be voluntary uncommitted cost sharing."

Policy:

If there is no restriction on the reimbursement of salary costs and no other cost share requirement, the University must ensure that some level of committed faculty effort is included in the proposed, sponsor paid budget. The University would, otherwise, be agreeing to voluntary committed cost sharing, which is against University policy.

The significance of the level of uncommitted effort expected and/or provided must also be taken into consideration when determining whether it can be excluded from separate accounting. The Standards for Documentation of Personnel Expenses of Federal Uniform Guidance (2 CFR 200 Subpart E - Cost Principles) require that our system "reasonably reflect the total activity for which the employee is compensated" by the University and that "significant changes in the corresponding work activity… are identified and entered into the records in a timely manner." The OMB memorandum clarifies this by saying, "As such, when an institution reduces a faculty member's level of activities dedicated to other institutional responsibilities in order to shift his/her activities to organized research activities, the institution must reflect this reduction in the payroll distribution system (as an increase to the research effort component)." Any case where the uncommitted effort appears to be significant will be reviewed by the Director of the Office for Sponsored Programs for a determination of how to account for, or otherwise manage, the situation.

If the written policy of a sponsor or program specifies that it will not pay for salaries, that sponsor is, in effect, requiring cost share. Cost share required due to a sponsor's policy of not paying salary cost will be treated like any other required cost share.

Exception:

The OMB memorandum does provide for exceptions in that "some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student augmentation, do not require committed faculty effort, paid or unpaid by the Federal Government." There may be an exception in other cases where there is a very minimal amount of time/effort devoted to the project by the PI (e.g. an award for travel to a conference for which the PI will only be away from the University for one or two days).
Any exception not specifically identified in the OMB memorandum must be thoroughly justified, in writing, approved by OSP and maintained in the grant files.

An exception may also be granted if the total funding under an award is no more than $10,000 and the school/college/unit agrees to fund and account for the PI time committed to the project through Voluntary Committed Cost Share. This is an exception to the University’s policy against Voluntary Committed Cost Share and will require that cost shared PI time be treated like Mandatory Committed Cost Share (i.e. a separate cost share fund must be established in Banner and the PI’s unit must charge via a Personnel Action Form (PA) the allocable portion of the PI’s salary to the cost share fund and provide the funding to cover the salary charges).