

## Cost Share Procedure (Updated 2-20-2024)

### WHAT IS COST SHARE?

**Cost Share, also Cost Match**, represents that portion of project or program costs not funded by the sponsor. Cost sharing can be voluntary or mandatory (that is, required by means of a statute/law or the sponsor), and can take the form of either cash or in-kind contributions. These costs can be represented in both direct and indirect costs.

Cost share can take two forms in cash or in-kind.

- **Cash:** Represents actual verifiable expenditures from the recipient or from non-Federal parties – and includes costs incurred by the University or Auxiliary, including indirect costs.
- **In-kind:** Represents the value of all noncash contributions, including work efforts, services, and property provided by non-Federal parties – and includes costs incurred by the University or Auxiliary, including indirect costs.

Cost share can be mandatory or voluntary.

- **Mandatory:** Required by the sponsor or funding agency supporting the sponsored project. Some sponsors require that the recipient of an award provide some level of cost sharing or matching costs as a condition of receiving the award.
- **Voluntary:** Project costs that the campus provides on its own initiative when the sponsor does not require cost share. The amount of cost share provided is determined by the University.
  - **Voluntary Committed:** Quantified and included in the proposal budget and award and becomes a binding requirement of the award.
  - **Voluntary Uncommitted:** Effort that is over and above that which is committed and budgeted for in a sponsored agreement. Voluntary uncommitted effort is not required to be documented or tracked.

Cost share must be verifiable from University records, necessary and reasonable for proper and efficient accomplishment of the project, and be allowable under Federal cost principles and regulations.

## **PRACTICE**

**It is the practice of the University to provide cost sharing only when required by the sponsor and to the extent necessary to meet the sponsor's specific requirements.**

Cost sharing can be proposed inasmuch as it is necessary and reasonable for proper and efficient accomplishment of the project, allowable under Federal cost principles and regulations, and allowable under the sponsor's guidelines.

**When cost-sharing is quantified in a sponsored project proposal budget and/or budget justification, it becomes a University commitment and must be honored.**

Commitments for University cost sharing must be developed, reviewed, and approved by the GRASP office, and approved by the appropriate administrator, and through sponsored proposal institutional routing by the applicable Department Chair, Dean, Director of Sponsored Programs, AVP of GRASP, Provost, and CFO.

## **FEDERAL REQUIREMENTS**

In compliance with the Uniform Guidance section §200.306, cost sharing or matching contributions shall meet the following criteria:

- A. Are verifiable from the non-Federal entity's records,
- B. Are not included as a contribution for any other federally assisted project or program,
- C. Are necessary and reasonable for proper and efficient accomplishment of project or program objectives,
- D. Are allowable under Subpart E- Cost Principles of this part,
- E. Are not paid by the Federal Government under another Federal award, except where the Federal Statute authorizing a program specifically provides that Federal funds made available for such program can or must be applied to matching or cost sharing requirement of other Federal programs,
- F. Are provided for in the approved budget when required by the Federal awarding agency, and
- G. Conform to other provisions of federal regulations, as applicable.

Unrecovered indirect costs, including indirect costs on cost sharing or matching, may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost represents the difference between the amount charged to the Federal award and the amount which could otherwise have been charged with the approved negotiated indirect cost rate. This is commonly known as foregone indirect costs.

### **ACCEPTABLE FORMS OF COST SHARE**

Cost sharing, or matching, may consist of the following cost elements used to further project objectives:

1. Salaries - University faculty or staff who devote a percentage of their compensated time/work effort to a sponsored project without receiving reimbursement from the sponsor.
2. Fringe benefit costs - associated with contributed effort.
3. Indirect costs - When requests are made for less than the federally approved negotiated rate and the sponsor does not prohibit the use of indirect foregone as cost sharing (Foregone indirect costs) and when requests are made for cost share that include application of the federally approved negotiated rate on those captured resources (indirect on cost share application).
4. Rent foregone - when a sponsored project occupies University owned or rented space, and there is less than full recovery of indirect costs.
5. Other direct costs - such as supplies, equipment, or travel that are paid from non-federal funding sources only if those sources are verifiable for reporting purposes.
6. Project costs - financed by cash contributions by the recipient or by cash donated to the recipient by third parties.
7. Project costs - represented by services and property donated by third parties (non-federal public agencies and institutions, private organizations, and individuals).

Cost share budgets and commitments are developed, reviewed, and approved by the GRASP office to ensure compliance with federal and agency requirements. Investigators will work with the GRASP office to identify cost share resources in meeting cost share requirements for proposals and sponsored programs.