

What is Cost Sharing?

Office of Management and Budget 2 CFR 200
 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 defines "Cost Sharing" or "Matching" as:
 "The portion of project costs not paid by Federal funds."

Cost sharing, also referred to as **cost match** or **in-kind**, is the portion of total program costs related to the grant that is not provided by the sponsor agency.

Please note that the practice of including cost share in proposals is strongly discouraged. Once cost share is included and quantified in a sponsored project budget, it becomes a campus commitment that must be honored and documented. Therefore, cost sharing should only be offered in a proposal when it is a requirement of the request for proposal or the program announcement.

COST SHARING	QUANTIFIED	NON-QUANTIFIED
Sponsor Requires	Mandatory Commitment	[Not Applicable – Always Quantifiable]
Sponsor Does Not Require	Voluntary Commitment	Voluntary Uncommitted

If you can quantify it, you must track it!

COST SHARE TYPE	DESCRIPTION
Mandatory Commitment	Sponsor agency stipulates that cost sharing or matching funds are required as a condition of receiving an award. Tracking costs is required.
Voluntary Commitment	Sponsor does not require cost sharing or match; however, cost sharing is included in the proposal budget. If the proposal is awarded, cost sharing is considered mandatory. In-kind match can be a voluntary commitment. Tracking is required.
Voluntary Uncommitted	Sponsor does not require cost sharing or match, and no cost sharing is included in the proposal budget; however, University provides additional funds or in-kind support such as release time to enhance the grant. Tracking is not required.

Committed effort = \$ which is quantifiable

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COST SHARE TYPE	DEFINED
Mandatory Commitment	<ul style="list-style-type: none"> ➤ Sponsor agency stipulates that as a condition of the award, the grantee must pay 20% of salaries and fringe benefits. ➤ Sponsor agency requires a 1:1 cash match as a condition of the award.
Voluntary Commitment	<ul style="list-style-type: none"> ➤ Principal Investigator (PI) pledges 25% effort on the grant but only includes 15% in the proposal budget – the 10% difference becomes voluntary committed match once the proposal is awarded.
Voluntary Uncommitted	<ul style="list-style-type: none"> ➤ PI includes 5% effort in the proposed grant budget with no cost sharing proposed; however, PI knows that additional effort will be necessary to satisfactorily complete the project objectives. The effort in excess of the 5% included in the budget represents voluntary uncommitted cost share. ➤ At the end of the award period, there is a cost overrun in the supplies line item budget. Excess costs transferred to another campus internal account are a type of voluntary uncommitted cost share.

Funds once committed to a sponsored project can no longer be used for anything but the project!

MORE COST SHARE TYPES	DESCRIPTION
In-Kind Match	Non-cash donations of a good or service that can be given a value and is used in achieving the program objectives.
Cash Match	Cash contributed by the University for the specific purpose of the grant.

**Sponsor agency does not pay F&A?
If cost share is required,
ask permission to count foregone indirect as
an in-kind contribution.**

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MORE COST SHARE TYPES	DEFINED
In-Kind Match	<ul style="list-style-type: none"> ➤ Personnel time given to the project. ➤ Person on loan from another organization/corporation. ➤ Use of existing equipment. ➤ Use of existing laboratory facilities or equipment. ➤ Unrecovered F&A. ➤ Office space may be counted as in-kind match if sponsor agency deems it allowable.
Cash Match	<ul style="list-style-type: none"> ➤ Cash contributed by the University. Matching cash should always reside in its own unique account for ease of tracking. ➤ Equipment to be purchased by the University for sponsored project activities. ➤ Existing equipment may be counted as a cash contribution if purchased within the award performance period and sponsor agency deems it allowable. ➤ Personnel hired by the University to assist with the sponsored project, but who would have otherwise not been hired if the grant had not been funded. ➤ Marketing cost associated with the sponsored project; i.e., project brochure and/or distribution expense.

**Have a Federal award with
a payroll match?
The match must be included as part of
Time & Effort Reporting.**

	<p><i>Committed in-kind match must have a value tied to it. When including existing equipment as a match, it's best to use the University's process for assigning fair market value.</i></p>
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BUDGET ITEM	VALUE OF MATCH
IN-KIND MATCH: 20% of Direct Cost Direct Cost @ \$150,000 x .20	\$30,000.00
CASH MATCH: 20% of Direct Cost Direct Cost @\$150,000 x .20	\$30,000.00

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UNALLOWABLE COST SHARING	DEFINED
Federal to Federal	<ul style="list-style-type: none">➤ Federal appropriations or contracts and grants funded by Federal agencies, either directly or indirectly as flow-through funding, are not allowable as cost share for another Federal project.
Costs Included in the F&A Rate	<ul style="list-style-type: none">➤ Expenses that are included as part of the F&A cost rate, such as building and equipment depreciation, utilities, department administration, etc., cannot be used as cost share.
Double Dipping	<ul style="list-style-type: none">➤ Cost sharing can only be committed and reported as cost share once.➤ Cost sharing that relates to two or more projects must be pro-rated among the projects so that, in total, it is only reported once.
Costs Incurred Outside the Project Period	<ul style="list-style-type: none">➤ Costs incurred prior to the official award start date are generally ineligible for cost sharing unless allowed as pre-award costs or with specific sponsor agency approval.➤ Costs incurred after the project termination date are not eligible for cost sharing.

**Does your department have the administrative support needed to keep track of committed cost share?
If not, don't commit!**



BE AWARE:

Periodic cost-share reporting is oftentimes a requirement of the sponsor agency.