

Nevada System of Higher Education Policy on Cost Sharing or Matching Projects

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Nevada System of Higher Education provides only the minimum amount of cost sharing necessary to meet sponsors' requirements and discourages voluntary committed cost sharing. Cost sharing can be of the following types:

- **Mandatory** – funding, either required by the terms and conditions of the award or by federal statute, that requires NSHE to contribute toward the project as a condition of receiving the award;
- **Voluntary committed** – a cost associated with a sponsored project, which was identified in the proposal, but was not required or funded by the sponsor;
- **Voluntary uncommitted** – a cost associated with a sponsored project and not funded by the sponsor, which was not committed in the proposal or in any other communication to the sponsor; or
- **In-kind/matching** – The requirement by some sponsors that grant funds be matched in some proportion with funds from another party, either from the institution or another sponsor. Matching requirements may be in the form of actual cash expenditure of funds or may be an “in-kind” match, which is the value of non-cash contributions to the project. In kind or matching contributions made by a party other than NSHE require documentation from that third party supporting the use of the funds as in-kind/matching and may require a certification of fair market value.

Mandatory, voluntary committed cost sharing and in-kind/matching must be identified, administered, and accounted for consistently throughout NSHE subawards.

Whenever applicable, NSHE will show in the approved budget or other appropriate document which program or project costs will be borne by the subawardee and which will be borne by the sponsor. Cost matching is a specific form of cost sharing, which means that the subawardee must provide additional resources for the program or project expenses in some proportion to the amount to be externally funded. Cost sharing is agreed upon in advance of proposal submission via a signature through the campus' Sponsored Projects/Programs, business managers, or controller's office.

NSHE must ensure that cost sharing commitments for grants and contracts are recorded on proposals, accounted for, and reported in a manner consistent with the terms of the sponsor award and the general requirements set forth in federal or other applicable regulations. Care must be taken during the proposal preparation process to ensure that all potential cost sharing commitments are recognized and approved. All cost sharing commitments must be clearly stated in the budget explanation of the proposal. Project Directors are cautioned not to imply cost matching that is not included in the budget, without working with the NSHE Sponsored Projects Office and EPSCoR, as NSHE may be held responsible for implied cost matching.

NSHEs special projects allocation resources should only be committed in those instances where cost sharing is mandated by a sponsor (such as EPSCoR projects) or is necessary to make a proposal competitive (research based). Throughout the project's life, the Project Director, NSHE must maintain sufficient documentation to substantiate the actual cost sharing contribution and report the cost sharing to the funding agency annually. All documentation on cost sharing is subject to audit in accordance with the sponsor's policy for funding which is provided to award recipients.

All matching contributions, both special projects and in-kind, must adhere to the following criteria as required by OMB Circular A-110.

- Are verifiable from the recipients records;
- Are not included as contributions for any other federally assisted project or programs;
- Are necessary and reasonable for proper and efficient completion of the project or program objectives;
- Are not paid by the Federal Government under another award, except where authorized by federal statute to be used for cost sharing or matching; and
- Are provided for in the approved budget when required by the sponsoring agency.

Acceptable Cost-Sharing Items

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

- Salaries of NSHE faculty or staff who are paid by the university, and who devote a percentage of their compensated time to a sponsored project, without receiving reimbursement from the sponsor.
- Fringe benefit costs associated with contributed effort as described above.
- Indirect costs unrecovered, including rent and occupancy costs, where the sponsor does not prohibit the use of indirect unrecovered as cost sharing. Other direct costs, such as supplies, equipment, non-capitalized assets, or travel that are paid for from allowable funding sources.
- Project costs financed by cash contributions by the recipient, or by cash from third parties.
- Contributions of services and property donated by recipient or third parties (non-federal public agencies and institutions, private organizations and individuals), provided that the values are established in accordance with the applicable cost principles.

Cost Sharing Procedures and Responsibilities

During the proposal preparation process the NSHE SSPO with assistance from the Project Director, will:

1. Determine the need for cost sharing.
2. In consultation with the appropriate NSHE collaborators, develop a cost sharing plan which indicates the cost sharing methods and amounts to be used, and the sources of all funding or in-kind donations.
3. Review the proposal plan with NSHE SSPO and campus SPOs in order to resolve any questions concerning appropriateness, allowability, reporting, and documentation requirements and any other related issues.
4. Fill out NSHE budget template (specific to the sponsor requirements) and begin internal campus routing along with the proposal for approval in writing by an authorized signer.
5. Upon award of the project, the NSHE SSPO shall issue subawards to the campuses to commit and document cost matching.

Documentation on Cost Sharing/Matching Accounting Will Be Maintained NSHE and the subawardees

1. NSHE cost sharing accounts will be established to record all cost sharing contributions by financial entry. These reports will be linked together via the umbrella reporting mechanism.
2. It shall be the responsibility of the subawardees to invoice required cost matching on a monthly basis and to ensure that the required documents are forwarded to NSHE.
3. NSHE research administrators will follow up regularly with the Project Director to provide advice on the status of matching requirements. This will be done via monthly project reports or phone communications.
4. The Project Director shall routinely follow up with the Co-PIs to ensure compliance with their obligations.