

Cost Sharing or Matching Projects Policy

Cost sharing should only be provided when required by the sponsoring agency. NSHE SSPO recommends providing only the minimum amount of cost sharing necessary to meet the sponsors' requirements and discourages voluntary committed cost sharing. The various types of cost sharing are defined as follows:

- **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. This can be in the form of a specified dollar amount, a percentage of total costs or in-kind/matching;
- **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. It does not need to be tracked for cost accounting purposes; 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 expenditures 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 may be made by parties other than NSHE require documentation from that third party supporting the use of the funds, goods or services contributed, time and effort, etc. as in-kind/matching and may require a certification of fair market value.

NSHE SSPO is responsible for identifying cost sharing requirements, whether mandatory, voluntary committed cost sharing or in-kind/matching in proposals/awards. NSHE SSPO follows its *Cost Share Reporting Procedure* to account for, track and consistently report requirements throughout NSHE awards and subawards.

Whenever applicable, NSHE will show in the approved budget or another appropriate document which program or project costs will be borne by the sub-awardee and which will be borne by the sponsor. Cost matching is a specific form of cost sharing, which means that the sub-awardee 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 a proposal submission via a signature through the campus' office of sponsored programs, business managers, or controller's office.

NSHE SSPO 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 sponsors' 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 SSPO, as NSHE may be held responsible for implied cost matching.

NSHE State Project Match (SPM) allocation resources should only be committed in those instances where cost sharing is mandated by a sponsor (such as EPSCoR projects). Throughout the project's life, the Project Director and NSHE SSPO must maintain sufficient documentation to substantiate the actual cost sharing contribution and report the cost sharing to the funding agency annually or more often if specified in the sponsors' terms and conditions of the award. 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 Uniform Guidance Subparts A-F and Appendix III.

- Are verifiable from the non-federal entity's records;
- Are not included as contributions for any other federal award;
- Are necessary and reasonable for accomplishment of project or program objectives;
- Are allowable under [subpart E](#);
- Are not paid by the federal government under another award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost sharing requirements of other federal programs; and
- Are provided for in the approved budget when required by the federal awarding agency.

Acceptable Cost-Sharing Items

Cost sharing or matching may consist of the following cost elements used to further project objectives. Note this list is not all-inclusive.

- Salaries of NSHE faculty or staff who are paid by the system, 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, NSHE SSPO, with assistance from the Project Director, will:

1. Determine if a need for cost sharing is applicable.

2. If yes, then in consultation with the appropriate NSHE collaborators, develop a cost sharing plan which indicates the cost sharing method(s) and amounts/calculations to be used, and the sources of all funding or in-kind contributions.
3. Review the proposal plan with NSHE SSPO and campus sponsored programs office to resolve any questions concerning appropriateness, allowability, reporting, documentation requirements and any other related issues.
4. Fill out 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, NSHE SSPO shall issue subawards to the campuses to commit and document cost matching requirements.

Documentation on Cost Sharing/Matching Accounting

The Post Award department will maintain a record of cost share contributions from sub-awardees via its *AwardIt* access database, effort reporting worksheets and any additional documentation provided related to cost sharing requirements.

1. It shall be the responsibility of the sub-awardees to invoice required cost matching on a regular basis and to ensure that the required documents are forwarded to NSHE SSPO.
2. The RAs will follow up regularly with the Project Director to provide advice on the status of matching requirements. This will be done via quarterly project reports or phone communications.

The Project Director shall routinely follow up with the campus PIs to ensure compliance with their obligations.