



Cost Sharing and Matching

Uniform Guidance Requirements and Seattle University Procedures

Responsible Offices: Controller's Office, Office of Sponsored Projects (OSP), Colleges (or Departments or Centers)

Uniform Guidance: CFR Title 2 Part #200.306 Cost Sharing and Matching

Purpose

This document sets forth the guidelines for contribution cost share on sponsored projects and tracking those expenditures at Seattle University. "Sponsored projects" refers to any form of extramural support (grant, contract, fellowship, and gift) made to the institution.

Policy Statement

The University must comply with any cost sharing requirements on an award contract. For both mandatory and voluntary committed cost sharing, when an award is received in which cost sharing is proposed and is noted in the award document, the cost sharing becomes a binding commitment that the University must provide as part of the performance of the sponsored project. SU strongly discourages cost sharing, unless a sponsor requires such a commitment. All committed cost sharing must be tracked and may require reporting.

Under Federal research proposals, voluntary cost sharing is NOT expected nor typically allowed. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. The criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. Furthermore, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the indirect (F&A) cost rate or reflected in any allocation of indirect cost.

For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contribution, must be accepted as part of the University's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the University's records;
- (2) Are not included as contributions from any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under Subpart E---Cost Principles of this part;
- (5) 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 be applied to matching or cost sharing requirements of other Federal programs;



- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of Uniform Guidance requirements in §200.306)

Definitions:

Cost sharing ,refers to the funds that are not provided by the sponsor, but contributed by the institution for the sponsored program. There are four types of cost share:

- (1) **Mandatory Cost Sharing:** The sponsor stipulates that cost sharing (in amount or a percentage of total cost) is required as a condition of an award. Mandatory Cost Sharing must be tracked and reported.
- (2) **Voluntary Committed Cost Sharing:** The sponsor does not stipulate that cost sharing is required, but it is voluntarily included in the proposed budget. If the proposal is funded, the cost sharing becomes a commitment included in the award. Cost sharing must be tracked and reported.
- (3) **Voluntary Uncommitted Cost Sharing:** Costs not included or committed within the proposal and the sponsored agreement. It usually is the donated cost or effort that is overrun or above the committed budgets for the sponsored project. It is not required to be tracked for grant accounting purposes or reported to the sponsor.
- (4) **In-Kind Cost Sharing/Matching:** In-kind cost share is the non-cash contribution provided by the sources in/outside of the institution as goods and/or services whose values can be established based upon the current open market and can be measured by the fair market value.

Matching is when the sponsor requires Seattle University to match its grant funds in some proportion with funds from non-sponsored project funds, either from institution, another sponsor or a third party. Matching requirement may be in the form of cash expenditures of funds or an “in-kind” contribution, with the approvals of both provider(s) and the sponsor. An in-kind matching made by a party other than Seattle University requires documentation of certification of fair market value.

Considerations

- (1) Expenditures Eligible for Cost Share:

Expenditure eligible for cost share include: salary, fringe benefit, equipment, and other allowable direct costs, such as lab supplies, and travel expenses,. Facilities and Administrative Cost (F&A) or Indirect Cost associated with the direct cost shares are automatically cost shared, unless the sponsor (such as private sponsor) does NOT allow the F&A cost.

All of the cost shares contributed by Seattle University to the sponsored project must be approved by the authorized representative(s) of Colleges, Controller Office, Office of Sponsored Projects, and the Provost.

- (2) Expenditures Not Eligible for Cost Share:



- All of the unallowable costs as defined in either Uniform Guidance or OMB 2 CFR 200 (See Unallowable Cost Categories Policy).
- Salary amount above the federal cap, such as the cap from NIH, DOJ, and NSF.
- Salary amount above the limitation of Seattle University for summer term (90% of IBS or 2.70 months of summer).
- Seattle University utilities.
- Federal funded equipment or grants.
- When the sponsor has explicitly prohibited cost share (e.g., NSF).
- Funds used to meet the requirement of cost share may be used once only.

(3) A Principle of Minimum Amount of Cost Share or Matching:

It cannot exceed the amount of cost share (or matching) set by Seattle University (including its colleges) that is necessary to meet sponsor's requirement, if there is any.

Cost Share or Matching Procedures

At Pre-Award Stage:

- The principal investigator must work with the budget manager or/and Dean of the college for any kind of cost share or matching on the grant, and get approval from the authorized person(s) by filling out and signing off the Proposal Transmittal Form (PTF) at the college level.
- The SRO at Office of Sponsored Projects (OSP) must review and process the proposal package, including cost share documents by obtaining the approval from Controller of Seattle University.

At Post-Award Stage:

- As the proposal is awarded, the cost share or matching is committed with the research project and become a portion of the agreement with the sponsor.
- Note: In certain cases, sponsored cost sharing commitments are presented in proposals to sponsors before those cost-sharing funds are secured. In the event that the anticipated cost sharing funds are not available, the school, department, or center will be responsible for arranging an alternate source of the required cost sharing. If no alternative cost sharing can be identified and the sponsor is unwilling to renegotiate the terms of the cost share, the University may be forced to decline the award.
- The budget manager must maintain records to track all cost share expenditures. The University will provide a grant companion account to track the cost share expenditures. The Grant Accountant will work with the budget manager to determine the most appropriate way to include the cost share budget and funding for the project.



- The SRO must enter the committed amount of cost share into the Grant Budget Input Form (BIF) and have it signed by the principal investigator, budget manager, SRO, and grant accountant.
- The amount of cost sharing or matching must be reported consistently and accurately, if it is required by the guideline of sponsor. The principal investigator and budget manager are responsible for ensuring that the University meets the cost share commitment. The budget manager is responsible for maintaining financial records of the research project and related cost share. The grant accountant at Controller Office or principal investigator is responsible for submitting the report of cost sharing/matching
- When the grant is closed out, the **Cost Share Verification Form** must be filled out and signed by the Principal Investigator, Department Chair, Dean of College (or Budget Manager), SRO and authorized person at Controller Office.
 - All of the financial records of cost share or matching must be maintained properly in compliance with University accounting policies and procedures , OMB Uniform Guidance and sponsor's requirements. The retention of relevant files is generally three years from the closed date at least.
- Most changes to mandatory cost sharing commitments must be reviewed and approved by OSP and often by the sponsor. After OSP reviews and approves a change to a cost sharing pledge, a BIF is issued with the revised cost sharing addendum and sent to the Controller's Office. The Grant and Financial Accountant will update budget information in Colleague