Documenting Cost-Share and Match Commitments

Matching and cost-sharing refer to costs borne by SFA not the sponsor. These are binding financial commitments and therefore must be documented just like grant expenditures.

Matching funds* = cash (e.g. a percentage of the cost of a piece of equipment, supplies, travel) benefiting the project.

Cost-sharing* = contributed effort by the PI, PD, other University faculty, staff, community volunteers, etc. benefiting the project.

* For this document, cost-share will be used to refer to both cost-sharing and matching.

The PI/PD is responsible for ensuring all cost-sharing commitments are:
1. Carried out as outlined in the funded proposal; AND
2. Documented in a manner that meets SFA and sponsor standards and will withstand an external audit.

Tracking and documentation:
- Salary: Companion Banner fund is typically established to track SFA salary commitments.
- Non-salary: PI/PD and/or department are responsible for tracking and providing backup documentation.

Federal and state guidelines dictate the following:
- Federal projects can only be cost-shared with non-federal funds.
- Only allowable costs may be cost-shared. If the expense couldn’t be charged to the grant, then the expense cannot be used as cost-share.
- The same funds cannot be used to match more than one project.
- Cost-share commitments are included in the budget submitted to the sponsor.
- Cost-share commitments must be documented.
- Cost-share commitments are reported to the sponsor. For non-government entities, reporting requirements are outlined in the award/contract. However, even if the sponsor does not require reporting, the same documentation must still be available as these are still required and auditable expenditures.

Documentation should demonstrate that the cost-share expenditure:
1. Is verifiable from SFA’s records. See [Matching and Cost-Sharing Commitments](#) and [Cost-sharing and Matching: Documenting Expenses](#); and
2. Is incurred during the period of performance of the award and actually applied to the project; and
3. Is not included as contributions for any other federal projects or programs; and
4. Is necessary and reasonable for accomplishment of project objectives; and
5. Is allowable under the applicable cost principles.

Cost-sharing SFA employee time:
1. Review SFA’s Faculty Workload Policy 7.13.
2. Review faculty member’s assignment to verify that the individual has time to commit to cost-sharing.

Third-party cost-sharing: Third parties may provide cost-share. Typically such external entities are project partners, participating school districts, etc. During the proposal stage, these external entities should provide documentation for the value of the donated time, supplies, materials, etc. in the form of a commitment letter. Upon award, PI/PD responsibility includes ensuring that the external entity provides specific documentation that meets the requirements above. Work with ORGS to determine what documentation is needed.
**Process for Cost-Sharing**

Federal regulations (2 CFR 200) state that cost-share can be included in a proposal ONLY if required by the sponsor or if the sponsor specifically states in application materials that cost-sharing will increase competitiveness.

**During the proposal stage:**

- Cost-share commitments must be included on the **Proposal Clearance Form** (PCF), the **Cost-Share Detail Form** (CSR), the budget, and the application. All commitments must then be approved by the department chair, the college dean, the provost and vice president of academic affairs, and the president as required.

- Cost-share commitments are detailed using the Cost-Share Detail Form (CSR) and submitted with the PCF. The individual with management authority of the included funds must sign the form (typically a chair or dean).

**Upon award:**

- Identified cost-shared funds are moved from the departmental or college fund to a separate Banner cost-share fund.

- EPAs are completed to designate a change in funding source for employees who will cost-share their time on the project.

- PI/PD or the employee will be required to certify effort to document cost-share.

- Non-salary commitments are tracked manually by the PI/PD/grant staff/department. Documentation must be provided to the Controller’s Office on a regular basis (prior to the Controller’s Office invoicing the sponsor or at least quarterly).

- Non-salary backup documentation examples:
  - If the university provides a dedicated telephone line for the grant, a Banner printout showing the annual Telecom Monthly Charge (itemized if more than one phone line charged)
  - If the university covers travel to a grant-related event, a Banner printout of the detailed travel expenditures, the initial travel requisition, etc. Must be itemized and detailed by individual traveler.
  - If the university provides use of equipment/labs, documentation includes a log sheet showing the dates and times of usage, the person using the equipment, and the purpose. These logs should be signed at least monthly by the employee using the equipment and the person who oversees the equipment.

**Other requirements related to cost-sharing include:**

- Unrecovered indirect costs may be included as part of cost-sharing with prior sponsor approval.

- For federal projects, PI/PD effort, whether reimbursed or contributed, cannot be reduced by 25% or more without prior sponsor approval. Non-federal sponsors may have similar requirements.

- Cost-sharing in the form of volunteer effort or contributions from third parties must be accounted for in terms of the “market value” of the effort or contribution.

If the award level is significantly lower than the requested level, a corresponding reduction in cost-sharing should be negotiated.

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Questions? Contact ORGS at ext. 6606.