Cost-Sharing Policy

Cost-sharing can be defined as expenditure of institutional financial support for an activity or project funded by an extramural sponsor. In many cases cost-sharing occurs when institutional funds are used to pay salary, fringe benefits and associated indirect costs for time and effort committed to an extramurally funded activity. For example, if an individual commits 4% time and effort to a research project but recovers only 2% salary, fringe benefits and indirect costs, the expenditure for the remaining 2% is calculated as cost-share.

All requests for cost sharing must be approved by the departmental chair and Senior Associate Dean for Research before submission of an application or no-cost extension. The departmental chair must provide a memo to the Senior Associate Dean justifying the request. If approved, this becomes an official part of the budget and should be documented on the budget justification page of the application. Documentation and accounting for cost-sharing is as important as documentation of costs charged to the sponsor.

Matching Funds Policy

On occasion, a potential sponsor will require or suggest that the applicant identify matching funds, an institutional contribution to the total cost of a proposed program or project. Normally, a matching fund requirement indicates that the sponsor will pay only a previously agreed upon portion of an expense. This is also a form of cost-sharing. As discussed above, institutional match may be accomplished through the cost of salaries, benefits costs and indirect costs that would otherwise be charged to the grant or contract. However, other means of matching are also possible. For example, it is common in the case of instrumentation awards or equipment grants that sponsors will require a formula match; the institution might be required to pay a dollar for every two dollars received from the sponsor toward the purchase of an instrument.
As with the cost-sharing policy described above, all requests for matching funds must be approved by the departmental chair and Senior Associate Dean for Research before submission of an application. The departmental chair must provide a memo to the Senior Associate Dean justifying the request.

It is important to remember the following points related to Cost-Sharing and Matching Funds:

- Cost-sharing must be verifiable through the University's financial records.
- Normally, cost-sharing must be accomplished during the active period of a grant or contract.
- In most cases, a single expense cannot be cited as cost-sharing on more than one grant or project.
- With few exceptions, support from federal sources cannot be used as cost-sharing on other federal or federal-flow-through grants and contracts.

These conditions are outlined in a document issued by the federal government, OMB Circular A-110 (Uniform Administration Requirements for Grants and Other Agreements with Institutions of Higher Education).

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