

UAS GM 13: Cost Sharing or Matching

This policy for Match/Cost Share is in accordance with Uniform Guidance Subpart D, 200.306 and Subpart E, 200.407, sets guidelines for when Match (Cost Share) is appropriate and allowable for UAS sponsored programs, and sets procedures for budgeting and approval of Match (Cost Share).

The terms "matching," "cost sharing," and "in-kind contributions" refer to the portion of allowable project costs not paid by the sponsoring agency. These project costs are paid by UAS or through contributions by organizations outside UAS (third parties). Historically, "matching" and "cost sharing" are the same principle expressed differently. Matching means to "match" concurrently during expenditure of funds. Cost sharing means that obligation must be met by the end of the project. In-Kind Contribution: A non-cash contribution of the fair market value of goods or services provided to a project.

Per Uniform Guidance Subpart D, 200.306: "...voluntary committed cost sharing is not expected. 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."

UAS authorizes Match (Cost Share) commitments only when required by the sponsoring agency and only to the extent necessary to meet the sponsor's requirements. All Match (Cost Share) commitments must be included in the proposal budget and must be approved by the dean or director of the UAS unit or department responsible for these funds, or by the appropriate official of a third party. After that approval, all Match (Cost Share) commitments must be approved by the Director of Budget and Grants before they will be binding. All committed Match (Cost Share) must conform to UAS and federal guidelines regarding allowability, allocability, and reasonableness (cost accounting standards) and must be verifiable through documentation and UAS's financial accounting system.

Match (Cost Share) budget (funding) is the responsibility of the requesting department, and resources are limited. It is essential that the use of Match (Cost Share) does not overburden these resources.

Sponsors and auditors must be able to verify that Match (Cost Share) funds have been committed and expended toward a project. This policy has been developed to help faculty and staff properly document and report Match/Cost Share commitments. All UAS sponsored programs involving Match (Cost Share) commitments must be executed in accordance with university policies and procedures, applicable state and federal laws, regulations, policies and guidelines. Applicable laws, regulations, policies and guidelines include, but are not limited to Federal Uniform Guidance and the federal cost accounting standards.

Compliance with federal cost accounting standards requires that Match (Cost Share) expenses be treated in a consistent and uniform manner in proposal preparation, in award negotiation, and in the accounting of these expenses in financial reports to sponsors. Sponsors also require that any Match (Cost Share) included in an award budget is a condition of the award and subject to audit.

Criteria for Match (Cost Share) Commitments: Uniform Guidance Subpart D, 300.306 states that "For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

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- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for 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 this part, as applicable.”

Types of Match (Cost Share)

- Mandatory Match (Cost Share) is a committed level that is required by the sponsor in its general guidelines or in a specific program announcement.
- Voluntary Committed Match (Cost Share) is not expected.
- Voluntary Uncommitted Match (Cost Share) is defined as "university faculty (including senior researchers) effort that is over and above the effort committed and budgeted for in a sponsored agreement." It is not required as a condition of the award, and these commitments will not be reflected in the final budget agreement between UAS and the sponsoring agency.