**COST SHARING**

Cost sharing - Cost sharing is the portion of project or program cost not borne by the sponsor. It is the University's share of the cost of research. Cost sharing occurs when either a sponsor requires or the University commits funds beyond those awarded by the sponsoring agency to support a particular grant or contract. Cost sharing is primarily required by federal sponsors, and the obligation must be met using non-federal funds. Only charges that would be allowable as direct costs to the recipient grant are allowable as cost sharing. Federal flow through funds may not be used as a cost sharing source unless prior written approval has been received from both the federal sponsor and the flow through sponsor.

The "cost share" pledge may be either a fixed amount of money or a percentage of the project costs. The term "cost matching" often refers to cost sharing where the amount from the sponsor is equal to the amount from the cost share partner. This is also known as dollar for dollar cost sharing or cost matching.

There are four types of cost sharing:

- **Mandatory (M):** Cost sharing that the sponsor (typically a federal sponsor) requires as a condition of the award.
  - For example, if the total cost of a project is $150,000, the sponsor might award $100,000 and require that the University provide (or find an outside source to provide) the additional $50,000 from non-federal funding sources.
  - The sponsor may require the University to provide either a fixed amount of money or a percentage of the project costs as cost sharing.
  - The sponsor and the University agree on the terms of the mandatory cost sharing during the initial negotiation of the grant or contract and the conditions are written into the award.

- **Committed (R):** Cost sharing that the PI promises in the project proposal budget or the budget justification that is not required by the sponsor.
  - The University discourages cost sharing commitments when not required by the sponsor.

- **Salary Cap (C):** Cost sharing required of faculty who exceed the salary cap.
  - Salary Cap cost sharing is required by:
    - National Institutes of Health (NIH)
    - Substance Abuse and Mental Health Services Administration (SAMHSA)
    - Agency for Healthcare Research and Quality (AHRQ)

- **Aggregate (A):** Cost sharing required by NSF. The University must provide cost sharing at a rate of 1% of the total NSF dollars received by all departments.
Contribution Sources

*A-110, Uniform Administrative Requirements for Grant Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,* defines appropriate sources of cost sharing. According to A-110, all contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria:

- Are verifiable from the recipient's records;
- Are not included as contributions for any other federally-assisted project or program;
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives;
- Are allowable under the applicable cost principles;
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching;
- Are provided for in the approved budget when required by the Federal awarding agency; and
- Conform to other provisions of Circular A-110, as applicable.

The University typically may commit as cost sharing the following non-federal expenditures:

- Faculty salaries and related benefits:
- Non Faculty salary and other contributions: