

UMCES Administrative Guidance: Cost Sharing in Brief 9/05

Cost sharing or matching occurs when the UMCES contributes resources towards a sponsored project. They are the portion of the project or program costs not borne by the sponsor.

Cost sharing:

- Should be included in the proposal only where absolutely required
- Must be accounted for even if only mentioned in proposal text and not specified in the budget
- Imposes a burden on the PI to account for and provide supporting documentation

To be acceptable as UMCES cost sharing, expenditures must satisfy all the following criteria (OMB Circular A-110, C.23):

- Be verifiable from the official University records (FRS)
- Not be used as cost sharing for any other sponsored program
- Be necessary and reasonable for proper and efficient accomplishment of the project
- Allowable under OMB Circular A-21 (i.e., no local phone charges, administrative salaries, general office supplies or office equipment)
- Be incurred during the effective dates of the grant
- Not paid by the federal government under another award

Cost Accounting Standards (CAS 501) must also be met:

- Consistency in estimating, accumulating, and reporting costs
- Cost sharing effort must be certified
- Cost sharing must be funded if specified in the proposal

Actual cost must be accumulated and reported at a level which permits sufficient and meaningful comparison with its estimates.

Third party cost sharing, including that provided by subgrantors, must meet the same requirements. Volunteer effort must be documented.

PI's must provide commitment in writing from the appropriate official for cost sharing commitments other than the PI's or Co-PI's effort included in proposals.