

COST SHARING (MATCHING)

Matching and cost sharing are synonymous. Both occur when the University pays for part of the cost of doing a research project. If the contribution is required by the sponsoring agency, then it is mandatory cost sharing, and will be recorded through the WBSE. If you include voluntary cost sharing (which is not required by the agency) as a part of the proposal budget, this will be considered the same as mandatory cost sharing and will be recorded through the WBSE. In kind contributions are not included in the proposal budget, and therefore would not be documented in the WBSE. **Cost sharing charges that are to be reported to the agency must be shown in the University column of the proposal budget worksheet.** When a PI makes a cost sharing commitment of time, this time commitment must be documented by the effort certification process. The PI cannot commit more than 100% of his time available for research.

When an Agency does not pay the full cost of F&A, this is also cost sharing or matching and should be shown on the budget worksheet. F&A costs that are absorbed by the University are real expenses. Monies used to pay these costs are not available for other uses.

Extension and Experiment Stations Faculty must be very careful in using salaries for matching. A large percentage of the faculty are paid from federal funds. Federal regulations generally prohibit the matching of federal funds with other federal dollars. In addition, Extension Faculty may lose their eligibility for federal benefits if they exceed more than 50% effort on some projects. Accordingly, it is very important that all cost sharing be reviewed before submission to the sponsoring agency.

In accordance with OMB Circular A-110, cost sharing must meet all of the following criteria:

1. The cost sharing must be verifiable and auditable within the University's accounting system.
2. The cost sharing must not be included as contributions for any other Federally assisted project or program.
3. The cost sharing is necessary and reasonable to accomplish project or program objectives.
4. The cost sharing is allowable in accordance with the applicable cost principles (OMB Circular A-21), the terms of the agreement, and the University's costing policies.
5. The cost sharing must be funded from non-Federal sources, unless authorized by Federal statute.
6. The cost must be incurred during the term of the agreement.

Cost Share: How it Occurs

Cost share is a big issue and is a REAL expense. If a PI has proposed that he or she will share part of the project costs and this cost share is part of the award document budget, this cost must be documented in the WBSE. Posting all the project costs to the WBSE, then charging a percent back to the E account, is the procedure used to document the cost share or match. The expenses that comprise the cost share must be moved from the E account to the new WBSE. If this very important part of the cost share procedure is not completed, your E account will be double charged for the cost share. Most cost shares are salary. This means either a PIF must be processed or the effort must be corrected each month with effort certification.

Effort Certification:

Effort certification is simply verifying that persons paid on grant and contract actually work on the project. In very simple terms, either we do effort certification or time sheets. All major research Universities are required to do some sort of effort certification.