

**NOVA SOUTHEASTERN UNIVERSITY  
OFFICE OF SPONSORED PROGRAMS  
POLICIES AND PROCEDURES**

**AWARD MAINTENANCE  
COST SHARING OR MATCHING  
EFFECTIVE 12-01-08, REVISED 12-26-2014  
POLICY #36  
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**PURPOSE:**

This document defines University policy and procedures regarding cost sharing and third party contributions as they relate to sponsored projects. The purpose of this policy and procedure is to clarify what can and cannot be counted as cost sharing or matching, which should, in turn assist members of the university community with the development of appropriate and accurate budgets and documenting other sources of support for a particular project when submitting a proposal to an external sponsor.

**DEFINITIONS:**

Allowable Cost: A cost is allowable to a sponsored project if it is necessary and reasonable for the performance of the project; it conforms to the applicable cost principles and any limitations or exclusions set forth by the sponsor; it is consistent with policies and procedures that apply uniformly to sponsor-financed and other activities of the university; it is allocable to the project; it can be covered by the budget remaining on the award; and the necessary and proper authorizations have been obtained, as applicable (also refer Office of Sponsored Programs (OSP) Policy No. 39 – *Prior Approval Requirements*).

Cost Sharing or matching: The portion of allowable project costs not paid by the sponsor. “Matching” and “Cost Sharing” are often used interchangeably. Some federal agencies, however, distinguish between the two, with “*matching*” meaning a statutorily specified percentage, whether specified as a fixed or minimum percentage of non-Federal participation that must be contributed by an award recipient. Cost-sharing or matching includes:

- Project costs funded by the university from non-sponsored accounts, or from a non-federal sponsored accounts (with approval of the sponsor), that are not included as cost sharing for any other sponsored project;
- Cash and third party in-kind contributions that are verifiable in the university’s accounting system and are not included as contributions for any other sponsored project;

The following expenses can be construed as cost sharing, as permissible by the sponsor: a) salaries and fringes; b) other direct costs; and c) unrecovered facilities and administrative costs if prior approved by the sponsoring agency.

Mandatory Cost Sharing: Cost sharing required as a condition of an award and agreed to between the institution and the sponsor. Mandatory cost sharing is identified specifically in the proposal budget and/or award documentation.

Third Party In-Kind Contributions: The value of non-cash contributions (i.e., property or services) that benefit a sponsored project and are contributed by a third party to the university under a sponsored project. Examples of third party contributions may include donations of supplies/materials, equipment, professional/technical services and other items. , provided that the items meet the sponsor’s criteria for cost sharing.

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Voluntary Committed Cost Sharing: Cost sharing specifically identified and quantified in a proposal that is not required by the sponsoring agency. Voluntary committed cost sharing becomes an obligation of the university and must be accounted for. Any committed effort for NSU personnel must be entered and certified in ECRT. University policy does not generally allow voluntary committed cost share.

Voluntary Uncommitted Cost Sharing: This is voluntary cost sharing that is neither pledged explicitly in the proposal nor stated in the award document. Uncommitted cost sharing does not need to be accounted for and documented.

Volunteer services: Services furnished by a third-party, such as professional and technical services, consulting services, and other skilled and unskilled labor, which may counted as cost sharing or matching if the services are an integral and necessary part of an approved project or program and are required by the award.

**POLICY:**

It is the university's policy to comply with cost sharing or matching requirements of sponsors. Such cost-sharing or matching must be included as part of the total costs of the sponsored project and will be properly accounted for in the university's financial system.

**REFERENCES:**

- OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, <https://federalregister.gov/a/2013-30465>
- OMB Federal Awarding Agency Regulatory Implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, <https://www.federalregister.gov/articles/2014/12/19/2014-28697/federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform>
- NIH Grants Policy Statement, <http://grants.nih.gov/grants/policy/policy.htm#gps>
- NSF Proposal and Award Policies and Procedures Guide, <http://www.nsf.gov/bfa/dias/policy/>
- HHS Grants Policy Statement, <http://www.hhs.gov/grants/grants/policies-regulations/index.html>
- NSU Accounting & Financial Policies and Procedures Manual, Finance Policy 127 – *Administration of Sponsored Programs/Projects*, <http://www.nova.edu/fop/forms/policies.pdf>
- NSU *Gift Acceptance Policy*

**PROCEDURES:**

1. Voluntary committed cost sharing is not in the best interests of the PI/PD, department and/or university; therefore, it should not occur. Under federal research proposals, voluntary committed cost sharing is not expected, may be prohibited by the sponsoring agency, and cannot be used as a factor

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during the merit review of applications. Therefore, if a PI/PD includes voluntary committed cost sharing on a proposal budget, the OSP will discuss with the PI/PD and assist the PI/PD in making appropriate adjustments to the proposal application.

2. The university will commit to cost sharing that is mandatory. Exceptions are subject to approval by the Vice President for Research and Technology Transfer.
3. Values for contribution of services and property shall be established in accordance with 2 CFR 200.306.
4. Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program.
5. The method used for determining cost sharing or matching for third-party donated equipment, buildings and land for which title passes to the university may differ according to the purpose of the award, if either of the following apply: (1) If the purpose of the award is to assist the university in the acquisition of equipment, buildings or land, the aggregate value of the donated property may be claimed as cost sharing or matching; or (2) If the purpose of the award is to support activities that require the use of equipment, buildings or land, normally only depreciation charges for equipment and buildings may be made. However, the fair market value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the awarding agency has approved the charges.
6. Cost-shared salaries and wages must be included on the Effort Certification Report as part of an individual's 100 percent effort (refer to OSP Policy No. 38 – *Effort Reporting*).
7. Actual charges related to committed cost sharing will be accounted for in the companion account established for the sponsored project (refer to OSP Policy No. 21 – *Banner Index Number Assignment*).
8. In-kind contributions on sponsored projects will be handled consistently with the university's Gift Acceptance Policy.

**Implementation**

1. For any committed cost-sharing required in the sponsored project, the PI/PD will work with OSP to incorporate such cost-sharing into the proposal budget. Any cost-sharing required under the sponsored project must have funding sources explicitly identified. Institutional approval of cost sharing will be reflected in the OSP *Cost Sharing Approval Form*.

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2. Upon award, the OSP will work with the Contracts and Grants Accounting Department (CGA) to assign a separate companion account linked with the main sponsored award account when cost sharing is included. All cost sharing expenses will be recorded in this companion account. This process provides for the accumulation of all program expenditures under the award in order to provide a verifiable and auditable records for these types of costs.
3. The OSP will work with the PI/PD to develop the budget for companion accounts, which will be transmitted to the Budget Office via the Project Digest (refer to Policy No. 25 – *Recording of Budgets and Encumbrances*) and established in the financial system. No facilities and administrative cost computation will be made on the cost share companion account. The PI/PD for a project or program is primarily responsible for the allowability and recording of costs funded by a sponsor, as well as for the cost sharing expenses accumulated and reported under the award (refer to OSP Policy No. 28 – *Allowable Costs and Expenditure Control*, and OSP Policy No. 31 – *Salaries, Wages and Overload Payments*).
4. CGA will provide assistance to the PI/PD in the financial recording and reporting of committed cost sharing/matching as required under the sponsored project. All cost sharing or matching contributions must:
  - a) be verifiable from the university's records;
  - b) not be included as contributions for any other sponsored project or program;
  - c) be necessary and reasonable for accomplishment of project or program objectives;
  - d) be allowable by the sponsor;
  - e) not be paid by the Federal government under another award, except where authorized by statute to be used for cost sharing or matching, are provided for in the approved budget.

Rates for third-party volunteer services must be consistent with those paid for similar work by the university. In those instances in which the required skills are not found in the university, rates must be consistent with those paid for similar work in the labor market in which the university competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

6. When an employer other than the university furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that is reasonable, necessary, allocable and otherwise allowable), and indirect costs at either the third-party organization's approved federally negotiated indirect cost rate or a rate in accordance with 2 CFR 200.414 (d), a), provided these services are in the same skill for which the employee is normally paid .
7. Donated property from third parties may include such items as equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.

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8. The value of donated property shall be determined in accordance with the usual accounting policies of the university, with the following qualifications: (1) The value of donated land and buildings must not exceed its fair market value at the time of donation to the university as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the university; (2) The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation; (3) The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality; (4) The value of loaned equipment shall not exceed its fair rental value.
  
9. For third-party in-kind contributions, the fair market value of goods and services must be documented by the PI/PD and to the extent feasible supported by the same methods used internally by the university.