A. General. Some sponsored projects require the University and/or third parties to contribute a portion of the project costs. Such contributions are known as “cost sharing” or “match.” The requirement for cost sharing or matching funds is an indication that contributions beyond those provided by the sponsor are necessary to fulfill the objectives of the project. Once included in a proposal and confirmed in its corresponding award document, cost share becomes a binding obligation of the University and must be contributed towards the fulfillment of the project.

B. Definitions.

B-1. Mandatory Cost Share: The portion of the University contribution to a sponsored project which is required by the terms of the project, typically noted in the Request for Proposal (RFP). Any mandatory cost share must be included in the proposal in order for the proposal to receive consideration by the sponsor.

B-2. Voluntary Committed Cost Share: Resources that are committed and budgeted for in a sponsored agreement, but that are not required by the sponsor in order for a proposal to be considered. Although not required by the sponsor, this cost share is a binding commitment and is tracked by the University. [rev. 3-13]

B-3. Voluntary Uncommitted Cost Share: The voluntary contribution of institutional resources, including faculty effort, that is over and above mandatory or voluntary cost share. Such cost sharing is not required by the sponsor as a condition of the award and is not quantified in the project budget or other application (proposal) form, but is expended by the University. An example of voluntary uncommitted cost share is “The University of Idaho will provide lab space to conduct this research”. This is listed in the proposal, but since there is no quantified amount listed, it is not tracked by the University. [rev. 3-13]

C. Policy. Due to the effect of cost sharing on the Facilities and Administration (F&A) rate, it is the position of the Office for Research and Economic Development (ORED) that when cost sharing is required by the agency, only the minimum cost share necessary to satisfy the requirement may be offered to the sponsoring agency. Requests to offer more than the minimum cost share required by a sponsor must be authorized by the unit administrator, college dean and the VP for Research and Economic Development. Voluntary cost share is generally prohibited. Only in rare circumstances will voluntary cost share be authorized, and such authorizations must be provided by the unit administrator, college dean and the VP for Research and Economic Development.

Federal sources and other sponsored projects (Fund Type 22) generally cannot be used for cost sharing or matching purposes. This includes all Smith Lever, Hatch, or other federal funds appropriated to the University. The Office of Sponsored Programs (OSP) will provide notification of any required cost sharing at the start of a project and with any subsequent funding authorizations. [ed. 12-18]

D. Process/Procedures.

D-1. Allowable/Unallowable Expenses. If cost share has been approved on a project, the following guidelines apply to what are allowable and non-allowable expenses for cost share purposes. Note that in order to be used as cost share, expenses must occur during the project period.

a) Items Unallowable as Direct Costs. An expense must be allowable as a direct cost to the project if it is to be used as cost share. One common exception is when the agency stipulates that indirect costs are unallowable but that any unrecovered indirect
costs may be used as cost share. Unrecovered indirect costs are the indirect costs that are not chargeable to an award due to sponsor limitations.

b) Equipment and Office Space. Existing equipment and office space on any University owned or leased property is part of the University's indirect cost rate calculation, and cannot be used as cost share.

PIs should be aware that when preparing proposals for sponsored agreements they cannot commit the use of University-owned or government-owned equipment as cost share. They can, however, characterize the equipment as “available for the performance of the project at no direct cost to the project.”

Proposals which include the acquisition of special-purpose equipment as a direct cost may include an offer of University funds to pay for all or part of the cost of such equipment. These proposals may be for equipment or instrumentation grants, where the purpose of the grant is to buy equipment and the University is required to share the cost with the sponsor, or research-oriented sponsored projects where the purpose of equipment required for the research is an allowable expense included in the award. Note that the purchase and acquisition must occur during the period of performance. The portion of the purchase price paid by the University must be charged directly to a cost sharing account in support of the award.

c) Waiver of Indirect Costs on Cost Shared Items. The indirect costs associated with other cost shared items may be used as matching funds, if indirect costs are allowed by the granting agency.

d) Employee Salaries. If an employee’s salary has been committed as cost share on a project, they must complete an Effort Report to verify the actual effort working on the project see APM 45.09]. [ed. 3-13, rev. 12-18]

e) Third Party Cost Share Allowances. An itemized letter of commitment signed by an authorized organizational representative is required if any portion of the cost share is being funded by a third party (or parties). After the fact documentation will be required from each third party. Such documentation must certify that the cost share in the letter of commitment was provided to support the project and that none of the cost share was paid out of federal funds. This documentation must be signed by someone in authority at the third party organization. [rev. 3-13]

D-2. Reports Provided by OSP. OSP prepares and will provide on request the following reports concerning cost sharing requirements:

a) Cost Sharing Report: Available for each budget with a cost sharing commitment. This report lists the detailed cost-share expenses reported to OSP to date and is provided to each unit at least once a semester and when changes occur.

b) Cost Sharing Report by College: Lists both active and terminated accounts with cost share commitments. Details the matching amount required, the accumulated amount matched, and the balance remaining to match. Sent upon request.

c) Termination Report: Details the unmet cost share commitment. This report is sent to the unit at the close date of the project.

D-3. Unit Responsibilities. The PI and unit should regularly review the cost-sharing reports, and notify OSP immediately if discrepancies exist. If operating expenses, temporary employee pay, and/or travel expenses are being used as match, the unit must provide OSP with the expense document numbers, dates, and budget(s) those expenditures were charged
to on a regular basis. If the entire obligated cost share is not submitted by the PI and unit 15
days prior to the date the final financial report is due to the sponsor, the amount of direct
expenditures allowed on the sponsored project must be reduced. The unit must transfer
expenses off the sponsored project so that the cost share submitted meets the required
proportion to the direct expenses as obligated in the award document. [rev. 3-13]

E. Contact Information. Further questions regarding cost sharing should be addressed to the
Office of Sponsored Programs, (208) 885-6651 or osp@uidaho.edu. FAQs on cost sharing and
other sponsored programs can also be found on the OSP website.