

**Cost Sharing on Sponsored Programs**

**AA/PPS No. 03.01.07 (5.09)**  
**Issue No. 1**  
**Effective Date: 01/24/2017**  
**Next Review Date: 09/01/2020 (E4Y)**  
**Senior Reviewer: Director,  
Sponsored Programs**

**01. PURPOSE**

- 01.01 The purpose of this policy is to define Texas State's general policy on the inclusion of cost sharing, cost matching and other items of support listed in a proposal for a sponsored program. This policy will also address general Federal and State policies that govern the acceptability of certain forms of contributions as meeting cost sharing and matching requirements. Individual funding agencies may have guidelines that vary slightly from those specified in this policy, so verification of an agency's specific requirements is essential prior to designating what expenditures will be used as cost share.
- 01.02 To define the method for determining the value of contributions made by Texas State to Federal and State sponsored programs.

**02. DEFINITION AND CRITERIA OF ACCEPTABILITY**

- 02.01 Texas State generally discourages the inclusion of cost sharing, cost matching and other items of support in all sponsored program proposals. Exceptions exist where the sponsoring agency has indicated in writing that proposals must include some form of cost sharing, cost matching or other items of support.
- 02.02 For a proposal to include cost sharing, cost matching and other items of support, documentation from the sponsoring agency must be included in the proposal files. If this documentation is lacking, the Associate Vice President for Research may approve the inclusion of cost sharing, cost matching and other items of support. This approval must be in writing and be included in the proposal file.
- 02.03 OMB Uniform Guidance (2 CFR 200) defines cost sharing as "that portion of project or program costs not borne by the Federal Government." Cost sharing is the amount of project costs that the University or other non-federal entity will contribute toward a sponsored activity. Various types of cost sharing are defined in OMB Uniform Guidance. Please see 2 CFR PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Subpart A—Acronyms and Definitions for more information. This information is located [here](#).

- 02.04 All contributions, including cash and third party in-kind, shall be accepted as part of the University's cost sharing or matching when such contributions meet all of the following criteria:
- a. Are verifiable from the University's records,
  - b. Are not included as contributions for any other cost-assisted project or program,
  - c. Are necessary and reasonable for proper and efficient accomplishment of project or program objectives,
  - d. Are allowable under the applicable cost principles,
  - e. Are not paid by the Federal Government under another federal award or State Government under another state award except where authorized in writing by the sponsor to be used for cost sharing or matching,
  - f. Are provided for in the approved budget when required by the sponsor,
  - g. Conform to other provisions, as applicable.

### **03. POLICY**

03.01 Responsibility - It is the responsibility of the Principal Investigator (PI) and the academic department to maintain records on cost shared items. This includes actual costs contributed and documentation for such costs for financial reports submitted to sponsors.

The PI is responsible for maintaining adequate records of the cost share or match and demonstrating to the funding agency or auditor that the cost sharing commitment has been fulfilled.

03.02 Documentation for Grants with a term of 12 Months or less - As part of the grant closeout process, the PI will provide a written report documenting the contributions to the committed cost sharing for a sponsored program. This report will include a detailed listing of the type of expenditure that is being cost shared, such as payroll or equipment, the account that incurred the expense for the cost share and the total dollar value of cost share.

03.03 Documentation for Grants over 12 Months in Length - At the end of each fiscal year and as part of the grant closeout process at the end of the

grant, the PI will provide a written report documenting their contributions to the committed cost sharing for a sponsored program. This report will include a detailed listing of the type of expenditure that is being cost shared, such as payroll or equipment, the account that incurred the expense for the cost share and the total dollar value of cost share.

Valuation - The methodology for determining values for some of the more frequently occurring instances of cost share is described below. For others not listed, contact the Office of Sponsored Programs.

a. Volunteer Services

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 and allowed by the sponsor. Rates for volunteer services shall be consistent with those paid for similar work in the labor market in which the University competes for the kind of services involved. Appropriate benefits that are reasonable, allowable, and allocable may be included in the valuation.

b. Donated Items

Donated supplies or other property may include such items as expendable equipment, office supplies, laboratory, supplies or workshop and classroom supplies. The value assessed to donated supplies which is to be included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

Donations must be processed through University Advancement, who is responsible for recording donations and for notifying the Office of Sponsored Programs of donations for sponsored programs.

03.04 Third Party Contributions to Cost Sharing - The PI will request that the third party provide a written report documenting contributions to the committed cost sharing for a particular sponsored program. 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 are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

**04. REVIEWERS OF THIS PPS**

04.01 Reviewers of this PPS include the following:

<u>Position</u>	<u>Date</u>
Director, Sponsored Programs	September 1 E4Y

**05. CERTIFICATION STATEMENT**

This PPS has been approved by the following reviewers and represents Texas State's Division of Academic Affairs policy and procedure from the date of this document until superseded.

Director, Sponsored Programs; senior reviewer of this PPS

Associate Vice President for Research

Provost