

DOCUMENTING COST-SHARE (MATCHING)

Information for Principal Investigators/Project Directors with Cost-Share and/or Matching Requirements

- **The PI/PD is responsible for ensuring that the cost-share and/or matching commitments outlined in the sponsor-approved project are:**
 1. **Carried out as outlined in the funded proposal; and**
 2. **Documented in a manner that will withstand an external audit.**

 - **If you need assistance interpreting the cost-share/matching commitments made by SFA in your proposal and/or how to document these commitments, please contact ORSP (ext. 6606).**
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Cost-sharing and/or matching commitments are binding and must be documented. For this reason, ORSP recommends that cost-sharing or matching be included in a proposal ONLY if required by the sponsor or if it is stated by the sponsor in application materials that including cost-sharing or matching will increase proposal competitiveness.

Matching funds are normally defined as cash (e.g. a percentage of the cost of a piece of equipment), whereas **cost-sharing** is usually in the form of contributed time and effort by the Principal Investigator, Project Director, other project or University faculty and staff, and/or community volunteers. However, these terms are frequently used interchangeably.

- Only cost-share federal projects with non-federal funds and cost-share only federally-allowable costs.
- Do not use the same funds to match more than one project.
- Matching commitments must be honored and are reported to the sponsoring agency.
- Matching commitments must be approved by the department chair, the college dean, the Provost and Vice President of Academic Affairs, and the President.
- All matching funds or cost sharing commitments based on the faculty member's academic time and effort must be approved in advance by the PI/PD's department chair and dean on the Proposal Clearance Form ([PCF](#)).

Documentation should demonstrate that:

1. It is verifiable from the recipient's records.
2. It was incurred during the period of performance of the award and was actually applied to the project.
3. It is not included as contributions for any other project or program.
4. It is necessary and reasonable for proper and efficient accomplishment of project objectives.
5. It is allowable under the applicable cost principles.
6. It was not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching.
7. It was provided for in the approved budget when required by the federal awarding agency.
8. It was consistent with federal cost allocation principles.

Other requirements related to cost-sharing and matching include:

- Unrecovered indirect costs may be included as part of cost-sharing or matching only with the prior approval of the federal awarding agency.
- Principal Investigator's or Project Director's effort, whether fully reimbursed or contributed, cannot be reduced by 25% or more without prior approval by the sponsor when the sponsor is federal.
- Cost-sharing in the form of volunteer effort or contributions from third parties must be accounted for in terms of the "market value" of the effort or contribution.
- If the award level is significantly lower than the requested level, a corresponding reduction in cost sharing should be negotiated.