

North Dakota State University

Policy Manual

SECTION 814 COST SHARING

SOURCE: NDSU President

1. **COST SHARING.** Cost sharing and matching represent that portion of project or program costs not borne by the awarding agency. Cost sharing may be in the form of cash contributions or in-kind matching.
2. **CASH CONTRIBUTIONS.** Cash contributions represent the institution's cash outlay, including the outlay of money contributed to the institution by nonfederal third parties. The waiver of indirect cost and employee effort exceeding the salary received from the agreement are examples of eligible cost sharing contributions.
3. **IN-KIND CONTRIBUTIONS.** In-kind contributions represent the value of noncash contributions provided by the institution or nonfederal third parties. Examples of in-kind contributions are non-employee volunteer labor, donation of advertising space, or meeting facilities, or performance of services at a reduced cost.
4. All cost sharing contributions must meet all of the following criteria to be accepted by the sponsoring agency
 - A. are verifiable from the recipient's records;
 - B. are not included as contributions for any other federally assisted program;
 - C. are necessary and reasonable for proper and efficient accomplishment of project objectives;
 - D. are types of charges that would be allowable under the applicable cost principles of the sponsored agreement.
 - E. are not paid by the federal government under another assistance agreement (unless the agreement is authorized by federal law to be used for cost sharing or matching);
 - F. are provided for in the approved budget when required by the sponsoring agency; and
 - G. conform to other provisions of the applicable agency guidelines.
5. If an individual is working on a sponsored agreement, but the individual's salary is being paid by the University, cost sharing is being provided. The value of the cost share is equal to the percentage of effort on the sponsored agreement multiplied by the salary and benefit costs to the University for the month.
 - 5.1 Cost sharing of time for employees is documented by the Personal Activity Confirmation. When establishing an agreement, the Office of Grant and Contract Accounting must be provided with the names of all employees cost sharing, the months that effort will be contributed, and the percentage of effort that will be contributed.

Proposal budgets cannot include individuals listed for cost sharing already fully committed to other programs for their time and effort.

6. Contribution of effort by non-employees of NDSU may also be used as matching costs. Rates should be consistent with those paid for similar work at NDSU. If the required skills are not found at NDSU, rates should be consistent with those paid for similar work in the labor market.

When an employer other than NDSU furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided the services are in the same skill for which the employee is employed.

- 6.1 Non-employee time must be documented by use of a "Donated Labor Form". Copies of the form can be obtained from the Office of Grant and Contract Accounting. These forms must be completed and returned to the Office of Grant and Contract Accounting for proper documentation of the cost sharing shown on any financial report.
7. Cost sharing for travel, materials and supplies, and other direct costs may be documented by one of two different methods of tracking such cost share.
 - 7.1 A project number can be assigned to the sponsored agreement and used on any expense vouchers paid with University or third party funds which are directly related to the sponsored agreement. The total of the costs assigned to the project number which were not reimbursed by the sponsored agreement would be the value of the cost share.
 - 7.2 The other option available for documenting operating and equipment cost share is for the Principal Investigator to establish a listing of all expense vouchers which were paid for by University or third party funds and were directly related to the sponsored agreement. The list should include the payment date, the reference number of the charge, and the value of the item. The list would be verified by the Office of Grant and Contract Accounting and shown as the value of the cost share for operating or equipment costs.

The Principal Investigator will elect an option at the time the new award is set up on the University accounting system.

8. A policy is in existence to provide assistance to faculty members in securing equipment needed to perform the work under sponsored agreements. The Provost and Vice President of Academic Affairs will provide 25% of the cost of the equipment, provided the responsible college and department will also support 25% of the cost of the equipment. This policy applies only to agreements which have a matching requirement.
9. If another sponsored agreement is providing cost share on a sponsored agreement, the two agreements must be scientifically and technically related.

HISTORY:

New	July 1990
Amended	April 1992
Amended	December 1996
Amended	August 1997
Amended	August 2007