

Policy Number	546
Subject	Cost Share Policy
Revised	
Effective Date	04/2013
Review Date/s:	11/2025
Responsible Party	Financial Services

1. INTRODUCTION AND PURPOSE

Cost sharing is the University's contribution to a grant that supplements agency funding. It is the portion of a project's costs not borne by the federal government. This support may consist of any type of expenditure such as personnel services, travel, supplies, and equipment.

There are generally two types of cost sharing; they are referred to as hard dollar and soft dollar.

Hard Dollar Cost Sharing:

Cash Contributions

- A. These represent the grant recipient's cash outlay, such as supplies purchased with state funds, or an outlay of money contributed to the recipient by non-federal third parties to the project.

Soft Dollar Cost Sharing:

In-Kind Contributions

- A. These represent the value of non-cash contributions provided by the recipient and non-federal third parties. These may be in the value of goods and services directly benefiting and specifically identifiable to the project.
- B. Faculty release time, i.e., Project Director works on the project during a portion of the academic year and does not charge the project his/her salary during this period, plus any payroll fringe benefits relating to the release time.
- C. The value of waived or lowered indirect costs on the federal portion of a federal project with the approval of the Federal Agency.

It is the Project Director's (PD) responsibility to document all cost sharing associated with the project. The PD must provide the Banner index number for all university cost sharing committed to the project. If the cost sharing includes contributions from third parties, the PD must obtain written documentation. Cost sharing must be documented as it occurs, do not wait until the project is ending to start documenting cost sharing.

Cost sharing must be verifiable in the recipients' records and the basis for determining the value of non-cash items must be documented. In addition, cost sharing must be necessary and reasonable to the program. Time spent working on the grant must be recorded on the [Time and Effort Report](#).

If cost sharing obligations are not required by the grantor, they should not be listed on the grant budget page and should not have a dollar value assigned in the narrative.

Cost sharing must be preapproved before including in the grant application.