



Cost Sharing/Match FAQs

Understanding cost-sharing (i.e., cost-share or matching funds) for grant proposal is essential for identifying sources for cost-sharing at the proposal stage. Sponsors/funders may require cost-sharing on a grant program for several reasons, such as demonstration of institutional buy-in, or limit the number of proposal submissions and federal program requirements.

Below are some frequently asked questions (FAQ's) from Principal Investigators (PIs) and Project Directors (PDs).

Q1: What are the types of cost-share?

A: There are two primary types of cost-share:

- **Required:** Cost-sharing that is required by a sponsor. Without it, your proposal will not be reviewed.
- **Voluntary:** Cost-sharing that is not required by the sponsor, but is included in a proposal and becomes mandatory at the time of the award.

Cost-shared/Match funds are expected to be readily available during a project, and the funds may not be used for other purposes. A PI/PD proposing to cost-share 15% effort during the academic year towards a project may not use that 15% for additional research, service, or instructional commitments.

Additionally, upon award, the cost-share commitment must be tracked by the PI/PD and reported to the grant's accountant.

Q2: What kinds of funds may be used for cost-sharing?

A: Sources for cost-sharing/match may include any private, state, or local funding, provided that the state or local source is not funded through a federal source. Funds from other grants and contracts may not be used as cost-share. All match sources must be approved by the Provost and CFO.

Q3: I am applying to a program that requires 1:1 cost-sharing (i.e., DSU is required to provide \$1 for every \$1 awarded). How do I keep up with this?

A: DSU recommends keeping a running spreadsheet to document all match to be sure that you are keeping up with your 1:1 commitment

Q4: What is the difference between in-kind and cash cost share/match?

A. In-Kind Contribution

In-kind contributions are contributions that can be readily determined but where there is no actual cash transaction in procuring the good or service. If you use volunteers to run surveys on a research project without compensating the volunteers, you may value the volunteer's time at minimum wage for the number of hours volunteered. The use of space where such space would typically carry a fee for purposes other than supporting this particular project. An example would be, the use of a conference room without having to pay a rental rate. In-kind donations must be documented with official correspondence from the organization providing the in-kind cost-sharing to include documentation such as the rental rate and timesheets for volunteers.

Cash Contribution

Cash contributions differ from in-kind contributions in that a cash transaction takes place and can be documented in the accounting system. This documentation includes the allocation of compensated faculty and staff time to projects. Sometimes compensated faculty/staff time is incorrectly documented as a donation or as an in-kind contribution because the employee would be paid regardless of the funding of the sponsored project. However, compensation is a cash transaction and should be treated as a cash contribution. Other examples of cash contribution include the purchasing of supplies or equipment by the institution for the benefit of the project requiring cost-sharing.

Q5: Should I include cost-share in a proposal if the sponsor/program does not require it (i.e., voluntary committed cost-share)?

A: No. DSU recommends that PIs do not include cost-share on a project unless it is required by a sponsor/program. Federal grant program evaluators may no longer consider cost-sharing during the merit review process unless it is statutorily required. Voluntarily committing cost-share at the proposal stage will no longer have an impact on the proposal's review.

Federal law mandates that DSU treat both federal and non-federal funds consistently. DSU recommends that PIs and their departments/divisions do not include cost-share unless it is required by the funder.

Q6: If I cost-share a percentage of my salary, do I also include the fringe benefits for cost-share?

A: Yes. You will always include the fringe benefits as cost-share. You will use the same fringe benefit rate on cost-share salaries as those salaries budgeted with the funder's dollars.

Q7: Can cost be incurred outside of the proposed project start and end dates be used as cost-sharing?

A: No. Cost-sharing must be incurred during the project start and end dates.

Q8: If the project is funded, do I need to track the cost-sharing?

A: Yes. The cost-share pledged to the funder and approved in the award notice is auditable. PI/PDs are required to keep detailed records on the amount of cost-sharing on their award.

Q9: My proposal is a multi-institutional project, and DSU is the lead. The project partners will be required to participate in cost-sharing. Does the lead PI need to document their cost-share in the proposal?

A: Yes. Each partner will need to provide a letter of commitment to certify their commitment to providing their portion of the cost-share. If the proposal is funded, the partner will be required to provide their cost-share and provide documentation as related.

Q10: My proposal requires 50% cost-sharing. I plan to work with other colleagues at their respective schools. Will they be required to commit cost-sharing too?

A: PIs typically work with their colleagues to determine how each school can provide cash or in-kind towards the cost-share requirement. PIs should review the grant guidelines to determine how the cost-share can be met by all involved.

Q11: Does the Chair, Dean, and Provost need to approve the cost-share for my proposal?

A: Yes. The chair, dean, provost, and vice president for finance must approve any proposed cost-sharing before proposal submission through the DSU internal approval form. Failure to complete the internal approval form may result in the proposal being withdrawn or DSU declining the award. Contact the Office of Institutional Grants for the required form.

Q12: The grant award is less than my original budget request. Is the difference in the amount requested and the amount funded now eligible to be counted as cost-share?

A: No. If awarded less than requested in the budget, DSU will work with the PI and the funder to negotiate a reduction in the scope of work and revise the budget. If the original request included cost-sharing, the cost-share amount also should be reduced to align with the new award total and revised scope of work.

Q13: Can I use award funds from one sponsored project to cost-share on another sponsored project?

A: No. PIs are not permitted to use any award funds as cost-sharing towards another sponsored project.

Q14: If a cost is an unallowable expense, could it then be used for cost-share purposes?

A: No. If a cost is an unallowable expense, it cannot be used towards the cost-share commitments. For example, the purchase of alcoholic beverages is not allowed on federal grants; therefore, alcoholic beverages can not be purchased with cost-share funds to cover these costs and meet cost-share requirements.

Q15: If submitting a proposal that requires cost-share and allows indirect costs at the fully negotiated indirect cost rate; do I base the indirect costs on the project budget and the cost-share funds?

A: Yes. Indirect costs are real costs that DSU incurs in the administration of grants and contracts such as DSU services, library services, utilities, building depreciation, and other administrative functions. Indirect costs are based on cost-shared funds at the fully negotiated indirect cost rate.

Q:16 Who do I contact if I have questions related to cost-sharing on a proposal?

A: Contact the Office of Institutional Grants at DSU 662-846-4804 or hmillers@deltastate.edu.