



I, Aida Ávalo-Sánchez, Secretary of the Board of Trustees of the University of Puerto Rico, **DO HEREBY CERTIFY THAT:**

The Board of Trustees, in its regular meeting held on September 17, 2011, having considered the recommendation of its Committee on Academic Affairs and Research and of the President of the University of Puerto Rico and the Vice President for Research and Technology, approved the following:

**COST SHARING / MATCHING FUNDS POLICIES AND PROCEDURES
AT THE UNIVERSITY OF PUERTO RICO**

BACKGROUND

The Board of Trustees, in its CERTIFICATION NUMBER 14 (2011-2012), approved the new institutional Policy for the Promotion and Development of Research at the University of Puerto Rico (UPR), in order to adjust it to its current level of research development, and harmonize it with current federal policies and requirements. This required the concomitant updating and harmonization of the UPR's Effort Reporting Policies and Procedures. Institutional cost sharing/matching funds policy is an integral component of effort, effort certification and effort reporting. Therefore, this document establishes the corresponding UPR's Cost Sharing and Matching Funds Policies and Procedures. This set of related policies further responds to Board of Trustees CERTIFICATION NUMBER 36, 2009-2010, that establishes Institutional Policy for Obtaining, Use and Fiscal Monitoring of External Funds Obtained by the University of Puerto Rico for Educational Programs, Research and Public Service. Consequently, we approve the following:

SCOPE

This Certification establishes the University of Puerto Rico Policies and Procedures on Cost Sharing/Matching funds including aspects related to their identification, funding, accounting, monitoring, and reporting in conformity with institutional and sponsor guidelines. Some sponsors require institutional cost sharing/matching on their grants and contracts as a matter of statute, regulation, or policy. In these cases, UPR follows its long-standing practice of meeting published cost sharing/matching requirements for programs that promise or continue to advance the university's research mission and goals.

“Matching funds” is essentially synonymous with cost sharing, since both occurs when a portion of the total costs of a sponsored project are assumed by the university, not the sponsor. Cost sharing/matching requirements may be in the form of an actual cash



expenditure of funds, or may be an “in-kind” match, which is the value of non-cash contributions to the project (for example, a faculty or personnel percent effort commitment to a sponsored project/program). The University is said to have committed itself to cost sharing, when in the proposal’s budget or text body of the award it pledges and/or agrees to assume a portion of the total costs of a sponsored project. The University incurs in a contractual obligation to share in the costs of a sponsored project when Cost Sharing/Matching Funds are committed. Committed cost sharing/matching funds may be mandatory or voluntary. The university may commit:

- *Mandatory cost sharing/matching* funds as a pre-condition of the sponsor to approve an award; and,
- *Voluntary cost sharing/matching* funds on a voluntary basis without the sponsor’s requirement as a condition to grant an award.

In addition, the University incurs in *Uncommitted voluntary cost sharing/matching* when on a voluntary basis there are costs/funds associated with a project not being funded by the sponsor, yet no commitment of the university has been indicated for these costs in the body of the proposal, the proposal’s budget or in any other communication to the sponsor.

Committed cost sharing/matching institutional funds become an integral part of a sponsored project/program once awarded, and hence are subject to institutional and sponsor rules, regulations and audits. Indeed, the proper documentation of cost sharing/matching funds is one of the major targets of audits, and major reason for cost disallowances and penalties from sponsoring agencies. The latter underscores the need for the harmonization and updating of the university policies and guidelines with those of sponsors, i.e. NSF which has recently revised and changed its dispositions with respect to voluntary committed cost sharing/matching funds. In addition, the policies and procedures contained herein pursue establishing and updating the University of Puerto Rico terms and conditions for the commitment of institutional cost sharing/matching funds. These institutional revisions shall permit continuity and strategic expansion of the UPR’s long-standing tradition of meeting cost sharing/matching requirements for a series of valuable scientific programs from sponsoring agencies, such as NSF, NIH, NASA, among others.

PURPOSE

The purposes of this document are:

1. To provide guidelines to UPR faculty personnel, when requesting cost sharing/matching funds, regarding the circumstances in which these are permitted by the UPR, including what kind of costs, services, expenditures, or assets may be cost shared.



2. To provide guidelines to the UPR communities regarding the contractual, financial, and administrative responsibilities that result from the commitment to cost share/matching funds.
3. To establish policy and procedures for the identification, funding, monitoring, accounting, and reporting of University cost sharing/matching funds, and assure compliance with all applicable University and sponsor cost sharing/matching funds requirements.

POLICIES

1. **As a general rule, the University of Puerto Rico should not incur in cost sharing/matching funds commitments unless mandated by the sponsoring agency.**

In sponsored awards, the UPR expects to receive full reimbursement for expenses, both direct and indirect (F&A) costs. It must be clear to all university faculty and personnel that every dollar of cost sharing/matching funds results in UPR forfeiting not only the recovery of the direct costs, but also the recovery of the associated F&A costs. In doing so, UPR agrees to commit amounts in its research base for which no direct cost reimbursement is received and it decreases the federally negotiated F&A rate. This can negatively impact the UPR's ability to support and further develop its research enterprise.

2. **UPR will assume a voluntary cost sharing commitment in sponsored programs/projects ONLY under the following conditions:**
 - a. **the sponsor permits it or this type of commitment is encouraged due to the highly competitive nature of the award(s);**
 - b. **the Principal Investigator/Project Director (hereinafter referred to as "PI/PD") has justified the university's commitment due to the exceptional/extraordinary properties of the award to advance the UPR's research mission and goals;**
 - c. **the costs committed are allowable according to sponsor and institutional regulations;**
 - d. **voluntary cost sharing/matching funds are in accordance with priority criteria established under this policy (see Policies 5, 6 and 7);**



- a. **the funds have been adequately identified at the PI/PD's department, campus levels, and/or the Central Administration's Budget Office (hereinafter also referred to as "U.P.R. BO"); and**
- b. **the proposal and its cost sharing/matching commitments are fully endorsed by the PI/PD's department, deanship, chancellor, Vice President for Research and Technology, Central Administration's Budget Office, and the President (see Proposal Transmittal and Approval Form, and the Cost Share/Matching Funds Petition Form).**

In the case of NSF, cost sharing/matching funds requirement have been revised and inclusion of voluntary committed cost sharing is prohibited, and mandatory cost sharing will only be required when explicitly authorized by the NSF (see NSF's *Proposal & Award Policies & Procedures Guide*, effective January 18, 2011; NSF 11-1; OMB Control Number: 3145-0058).

3. **UPR will assume mandatory cost sharing commitment in sponsored programs/projects that:**
 - a. **require it as a pre-condition to grant an award;**
 - b. **advance the UPR's research mission and goals;**
 - c. **costs committed are allowable according to sponsor and institutional regulations;**
 - d. **the funds have been adequately identified at the PI/PD's department, campus levels, and the Central Administration's Budget Office; and**
 - e. **the proposal and its cost sharing/matching commitments are fully endorsed by the PI/PD's department, deanship, chancellor, Vice President for Research and Technology, Central Administration's Budget Office, and the President (see Proposal Transmittal and Approval Form and the Cost Share/Matching Funds Petition Form).**

When matching funds are completely provided by a campus/unit, it will only be required to provide the corresponding evidence to the University of Puerto Rico Vice President Research & Technology (hereinafter also referred to as "VPRT"). It must also be underscored, that when mandatory cost sharing is included and accepted by sponsors, the commitment of funds becomes legally binding and is subject to audit. Failure to provide the level of cost sharing required by the sponsor solicitation and reflected in the approved budget may result in termination of the award, disallowance of award costs and/or refund of award funds to the sponsor by the University.



- 4. In mandatory cost sharing/matching funds commitments, the committed costs/funds must be provided to the extent needed to fulfill the sponsor's requirements.**

When cost sharing/matching funds are required (mandatory), the level of cost sharing provided must meet sponsors' expectations, but not exceed these. The level of cost sharing/matching funds committed must be provided by the university, even after the actual effort and other costs required to accomplish the goals of a sponsored project differ from what was proposed and awarded, if required by the sponsor. The total costs could decrease due to changes in programmatic needs. Consultation with the sponsor is essential to determine if the reduction can be applied to both sponsor and university contributions on a pro rata basis, and hence seek approval for such reduction. If such were not the case, the sponsor's share may be reduced, yet the UPR entire cost sharing/matching funds commitment must be met. Consultation between the PI/PD, his/her research administrator, the campus/unit OSP (or Research and Development Center) directors, and the VPRT is advisable before the sponsor is contacted on this matter.

- 5. Committed cost sharing/matching funds (voluntary or mandatory) are quantified contributions documented in the proposal narrative, budget and/or budget justification that legally bind the UPR and must be accounted, monitored and reported in compliance with sponsor and federal regulations, and cost accounting standards.**

It is therefore required that all cost shared/matching funds expenses be treated in a consistent and uniform manner in proposal preparation and in the financial accounting and reporting of these expenses to sponsors. In this context, The UPR's Cost Sharing/Matching Funds Policies and Procedures pursue compliance with 2CFR Part 215 OMB Circular A-110: Requirements for cost sharing on federal awards to be acceptable. This implies that all contributions, including cash and third party in-kind shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria:

- a. The costs are allowable under the applicable cost principles in accordance with 2CFR Part 220 OMB Circular A-21;
- b. are verifiable from the recipients records;
- c. are not included as contributions for any other federally-assisted project or program;
- d. are necessary and reasonable for proper and efficient accomplishment of project objectives;



- e. are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching; and
- f. are provided in the approved budget when required by the federal awarding agency.

Each campus/unit, as well as the UPR BO, is responsible for providing cost sharing/matching funds reports to sponsors and university authorities when required. In such reports, the university must appropriately document and account fulfillment with its cost sharing/matching funds commitment. Therefore, PI/PDs and their research administrators must ensure their corresponding final approved budget commitments have been generated and they have timely completed the institutionally mandated Annual Reports.

All proposed, approved, monitored and reported costs/funds commitments must adequately address the allow ability and un-allowability criteria detailed below. In this context the responsible PI's and individuals must appropriately document all cost sharing/matching effort committed within the web based personnel Effort Reporting and Certification system. Accordingly, cost sharing/matching effort must be taken into account in the calculation of an individual's Total Professional Effort (TPE) (Effort Reporting Policies and Procedures at the UPR). At the time an award is made effort must not be committed more than the appointment allows for concurrent periods of time, and not exceed 100% of his/her TPE. In addition, significant decreases (25% or more for grants or an amount specified by the sponsor for contracts) in the effort by key personnel to a project require coordination with and/or advanced approval by a federal sponsor; non-federal sponsors may have similar requirements. This applies to changes in committed levels of effort to be cost shared on the project as well as to that which will, be charged directly to the project.

Importantly, all federally funded research programs must have some level of committed faculty (or senior researcher) effort, paid or unpaid by the Federal Government. The exceptions to this requirement are training grants, dissertation support, limited purpose awards, e.g., travel grants, conference support, or when salary support is provided by another funding source such as career awards. In addition, all non-federally funded sponsored programs (including clinical trials) must have some level of committed faculty (or senior researcher) effort, paid or unpaid by the sponsor.

The PI/PD, and his/her research administrator, and/or OSP/FO are responsible for maintaining records of all project related costs, and the records retained for the same period as the records for related sponsored project.

6. The types of cost sharing/matching funds commitments considered as allowable must meet the following criteria/conditions.



Allowable costs shared or matching funds, in addition to being allowable and allocable under federal cost principles (2CFR Part 220 OMB Circular A-21 and CFR Part 215 OMB Circular A-110) and the terms of the sponsored agreement, must meet the following conditions:

- a. Are necessary and directly related to meeting the project objectives;
- b. represent costs incurred during the project period of performance;
- c. must be verifiable from UPR's records; and
- d. for labor costs, documented and certifiable in the University's effort reporting and certification system.

Typical allowable expenses include direct costs, such as salaries, fringe benefits, personnel (faculty, students, other key personnel) efforts (i.e. "% of effort" in NIH modular grant applications), travel expenses, laboratory supplies, equipment in instrumentation awards, and facilities and administrative costs (F&A) (i.e. unrecovered FA) given sponsor authorization. The University, responsible PI/PD and other personnel must appropriately document all cost sharing/matching effort committed within the personnel Effort Reporting and Certification requirements.

In the case of equipment, it should not be offered as cost sharing unless the receipt of the award is contingent upon such cost sharing. Equipment and facilities availability may though be used to enhance the description of the institutional environment and facilities for the conduct of the proposed sponsored project/program. In the case of instrumentation awards, cost sharing/matching funds may typically constitute award pre-conditions or requirements. In such instances, purchase and acquisition must occur during the period of performance, and the portion of the instruments costs shared by the university appropriately charged directly to a cost sharing account in support of the award.

In certain circumstances, with the sponsor's approval, cost sharing/matching funds may also take the form of Facilities & Administrative (F&A) costs ("indirect costs").

7. The types of cost sharing/matching funds commitments that will be considered as unallowable (unless approved by the sponsor) must meet the following criteria/conditions:

- a. Included as cost sharing for any other sponsored project.
- b. Payable by the same sponsoring agency under another award.



- c. Payable by a different sponsoring agency within the same governmental jurisdiction under another award (e.g., federal funds must not be used for cost sharing on another federal project).
 - d. Otherwise unfunded salary for the effort that is outside of the contractual appointment (e.g., unfunded summer months for faculty with nine-month academic appointments).
 - e. Do not follow the criteria/conditions of allowable costs delineated above, i.e. unallowable costs as defined in Circular OMB A-21, Section J.
 - f. Salary dollars above a regulatory cap, e.g., NIH.
 - g. University facilities such as laboratory space and facilities. Yet, PI's can enhance their institutional environment description by explicitly stating the set of facilities "available for the performance of the sponsored agreement at no direct cost to the project".
 - h. Depreciation on federally funded equipment.
 - i. Overdrafts may not be considered cost sharing for purposes of fulfilling a cost sharing commitment because overdrafts are considered unallowable under Circular OMB A-21 (2CFR Part 220).
- 8. When committing voluntary cost sharing/matching funds the UPR seeks to incur in expenditures that further enhance institutional research support and development activities. THEREFORE, University authorized expenditures in this modality of commitment must be allowable under sponsor terms, and will ONLY be authorized with this rank order of University priorities:**
- a. ***First priority expenditures:*** materials and supplies, minor equipment, travel to scientific meetings only when findings will be presented, seminars and workshops (technical and writing), minor alterations and renovations, organization and conduct of mini symposia, support for infrastructure and personnel of university-wide sponsored research and development offices, subcontracting of grant editors, scientific reviewers, manuscript editors, and *In-kind* time-effort commitments of faculty with full-time university administrative responsibilities.
 - b. ***Second priority expenditures:*** visiting scientists, graduate and undergraduate student stipends, stipends for post-doctoral fellows, internships for collaborative efforts and/or advanced technology training and education, support of institutional research compliance, reasonable and justifiable time-effort commitments where the university will incur in additional compensations (as per Certification No. 66) for scientists or coordinators of specific scientific projects or core facilities.



- c. ***Third priority expenditures***: major alterations and renovations, and a limit of 25% or less time and effort commitment of faculty, inclusive of those with part-time university administrative responsibilities, as long as charges are estimated as required using the individual's IBS.
- 9. The University will not authorize nor support with institutional cost sharing/matching funds additional salary compensations or salary charges based work overload estimates (those exceeding the faculty's 100% TPE).**
- 0. Any re-budgeting that exceeds 25% of the institutionally-approved cost sharing/matching funds must abide by the above priorities, and receive prior approval from the Vice President for Research and Technology.**
- 11. In the cases of uncommitted voluntary cost sharing/matching funds, no commitment of the university is indicated in the body of the proposal, the proposal's budget or in any other communication to the sponsor, for costs/funds associated with a project that are not being funded by the sponsor.**

Examples of **uncommitted voluntary cost sharing/matching funds** are: donated (*in-kind*) Faculty effort over and above that which is committed and budgeted for in a sponsored agreement, or academic year effort on a project for which only summer salary was proposed, if as stated in the policy, such effort were not indicated on the budget page, the body of the proposal or any other communication with the sponsor.

- 12. In cases of uncommitted voluntary cost sharing/matching funds, effort devoted to a project over and above the effort charged to the project, (or formally cost shared) need not be identified and reported if there is no reduction to other teaching or research and/or any other duties.**

This should be taken into account in the faculty personnel Effort Report.

- 13. Only proposals that follow the established Proposal Transmittal and Approval Form and the Cost Sharing/Matching Funds Petition Form will be considered for cost sharing/matching funds commitments.**

All PI/PDs requesting any form of cost sharing/matching fund commitment from the University must follow the established procedures for proposal submission and approval and petitioning of cost sharing/matching funds. If cost sharing/matching funds are being requested, it must be clearly indicated on the Proposal Transmittal and Approval Form. A separate Cost Sharing/Matching Funds Petition Form must also be completed detailing the proposed cost sharing budget, the sharing period of time, and list the institutional sources of funding for the cost shared/matching funds expenses.



- 14. It is the responsibility of all PI/PDs that obtained any form of cost sharing/matching funds commitment from the university, to inform the VPRT on the outcome of the corresponding award, whether funded or not, since commitments will only be valid if the proposal receives external sponsor support, and will not be upheld for proposals that fail to receive funding.**

In future petitions of cost sharing/matching funds commitments for a given project/program that was not approved by the sponsoring agency, the PI/PD's must reinitiate the due process for proposal submission and sharing/matching petition. In the new petition, they must assure the Office of the VPRT that the external sponsor's evaluation or review critiques have been appropriately addressed to improve the revised proposal application.

- 15. It is the responsibility of all PI/PDs that obtained any form of cost sharing/matching funds commitment from the university to timely complete and submit an Annual Report to the VPRT and the U.P.R. BO.**

The Annual Report must include detailed information pertinent to the approved cost sharing/matching funds. The information must include the following:

- a. Project title
- b. Project period
- c. Evidence of approved budget in detail
- d. Actual expenses incurred during the period and for the upcoming year.
- e. Justification of any re-budgeting made to the approved amounts, with corresponding authorizations
- f. Specific time/effort commitments shared
- g. Accomplishments (publications, patents, students impacted, presentations, recognitions and awards, among others), or copy the progress report submitted to the sponsor agency for the corresponding project period.

- 16. Administrative and/or disciplinary actions in accordance with University disciplinary procedures may be imposed, due to failure to follow the provisions of this Annual Report, to the PI/PD, research unit, campus or projects/programs, responsible for the violation(s). Specifically:**

- a. **If Annual Reports are not completed and returned in a timely manner, in consultation with the VPRT, there may be the need to suspend committed funds authorizations, until Annual**



Reports are up to date and properly completed and certified.

- b. Certification of Annual Reports that are known to be materially inaccurate may expose the individual(s) who completed the reports to disciplinary action.**

All faculty and University personnel must read and consider additional UPR policies relevant to the cost sharing on the UPR Handbook of Sponsored Policies and Procedures and the website of the of the Vice Presidency Research and Technology.

GUIDELINES AND PROCEDURES

The office of the VPRT has the responsibility of evaluating proposals for sponsored projects/programs that have filed a Cost Sharing/Matching Funds Petition Form (see Appendix 1). The office of the VPRT in its evaluation process ensures that all University policies and procedures related to Cost sharing/matching funds commitments are appropriately considered by the PI/PD. This evaluation is performed with the collaboration of other University officials outside the VPRT. Each proposal must be timely submitted to the VPRT to provide sufficient time (in lieu of the internal routing at the Central Administration level) for its scientific/technical merit evaluation, ensure compliance with all pertinent university and sponsor policies and procedures, identification and allocation of the requested funds, and its final endorsement prior to the sponsor deadline. The specific procedures are:

SUBMISSION AND APPROVAL OF COST SHARING/MATCHING FUNDS

1. As indicated in the **Cost Sharing/Matching Funds Petition Form**, each proposal or request for matching funds needs to be submitted to the VPRT with the endorsement of the corresponding campus Chancellor and the details of the institutional commitments it requires, as applicable. In addition, the proposal must be routed 2 weeks prior to its deadline with the sponsoring agency. No other office at Central Administration will accept these kinds of documents for processing.
2. Each **Cost Sharing/Matching Funds Petition Form** must be accompanied by an electronic copy (preferably as a PDF file) of the original proposal at the time of submission to the VPRT. The copy submitted to the VPRT must be identical or very similar to the final version to be submitted to the funding agency. Likewise, any written communication to be included in the proposal and to be signed by the President must be provided in electronic format.
3. The VPRT will evaluate according to the policies established herein the request for cost sharing/matching funds for its endorsement. If all applicable university criteria established under the aforementioned policies are fulfilled, the VPRT will



refer it to the U.P.R. BO for identification of the funds requested. If funds are identified, it will receive the endorsement of the VPRT. The VPRT will prepare the necessary documentation for processing and will submit the endorsed proposal to the Office of the President.

4. The various documents will be sent for review, approval and signature of the President. The Proposal PI (requestor/petitioner) will be notified of the assignment of matching funds and/or the corresponding endorsement, as appropriate. Once the process is *finalized, copies need to be forwarded to the Vice Presidency for Research and Technology.*

ACCOUNTING/MONITORING OF COST SHARING/MATCHING FUNDS

1. It is the responsibility of the PI/PD, its research administrator, and campus or unit corresponding Sponsored Projects Administration to maintain appropriate documentation and establish monitoring activities to ensure continuous compliance with University and sponsor requirements.
2. The PI/PD, its research administrator, and campus/unit corresponding Sponsored Projects Administration must be responsive to all University and sponsor audits.

COST SHARING/MATCHING FUNDS ANNUAL REPORT

1. The Annual Report on cost sharing/matching funds committed by the University must be completed and submitted by the PI/PD to the Vice President for Research and Technology and the Office of Budget, within 60 days after the end of a corresponding project period. The Annual Report must include detailed information pertinent to the approved cost sharing/matching funds, such as:
 - a. Project title.
 - b. Project period.
 - c. Evidence of approved budget in detail.
 - d. Actual expenses incurred during the period and for the upcoming year.
 - e. Justification of any re-budgeting made to the approved amounts, with corresponding authorizations.
 - f. Specific time/effort commitments shared.
 - g. Accomplishments (publications, patents, students impacted, presentations, recognitions and awards, among others), or copy the progress report submitted to the sponsor agency for the corresponding project period.



The President of the University of Puerto Rico, or the person in whom he/she delegates, will issue the necessary guidelines, norms and procedures, or will amend the existing ones to implement what is established in this Policy; provided, however, that the Chancellors of the institutional campus/units can issue administrative dispositions to implement in their units what is provided in this Policy, as long as these do not contravene nor the provisions nor the established guidelines, normative dispositions or procedures issued by the President of the University. Yet, the latter administrative dispositions shall be consulted and receive the corresponding clearance from the Vice President for Research and Technology.

INTERPRETATION

The President of the University of Puerto Rico shall settle any controversy, question, or clarification regarding these regulations or situations not foreseen by them.

AMENDMENTS

These regulations may be amended by the Board of Trustees, *motu proprio*, or upon the recommendation of the President of the University of Puerto Rico.

EFFECTIVENESS

These regulations shall become effective immediately after their approval. From that date on, any policy, regulation, rule or guideline to be contrary, inconsistent or contrary to this Policy or its purposes shall be without effect.

IN WITNESS WHEREOF issued this Certificate and affixed the Seal of the University of Puerto Rico, in San Juan, Puerto Rico, and this 20 day of September 2011.



Aida Avalo de Sánchez
Aida Avalo-Sánchez
Secretary



APPENDIX 1

COST SHARING / MATCHING FUNDS PETITION FORM

University of Puerto Rico
Campus/Unit
Office of Sponsored Programs and Research
Grant Project Cost Sharing Form

Cost sharing: [] Mandatory [] Proposed

Project Title: Sponsoring Agency:

Project Brief Description:

Name of Principal Investigator/Project Director: Degree:

Position: Tel: e-mail:

Table with 3 columns: Category, %, Cost Sharing Contribution. Rows include Salaries for Professional Staff, Salaries for Support Staff, Purchased Services, Supplies & Materials, Equipment, Travel Expenses, Employee Benefits, Financial and Administrative Cost, and Total Cost Sharing Contribution.

Total Project Cost = Project requested funds + Total Cost Sharing Contribution \$ -

Narrative:



Cost Sharing Form Instructions

All cost share contributions must directly support project activities and outcomes. Failure to meet the following conditions will result in rejection of the application.

Examples:

- a. 20% cost sharing example: If you know that your project will cost a total of \$10,000, then you are required to provide \$2,000 or 20% of your total project cost, requesting the sponsoring agency the remaining 80% or \$8,000.
- b. 50% cost sharing example: If you know that your project will cost a total of \$10,000, then you are required to provide \$5,000 or 50% contributed match toward the project and request the sponsoring agency the remaining 50% or \$5,000.

Cost sharing can be demonstrated in two ways, through "matching" and through "in-kind". In both cases, cost sharing contributions may be claimed only if they directly support project activities and outcomes.

Matching

Matching: The costs of grant project are borne by the applicant or by a third party. (Note: cost used to match one grant cannot be used to match another.)

Matching example: You decide to hire an archival consultant for 10 days of work. You pay the consultant partly from your funds and partly from sponsoring agencies funds. The amount you pay the consultant from your own funds is your matching contribution to the project.

In-kind contribution

In-kind contribution: The value of non-cash contributions are provided by the applicant in support of the project without charge to the grant. In-kind contributions must be in the form of goods and services which directly support project activities and outcomes. Both paid staff time and time contributed to the project by volunteers are eligible as in-kind contributions.

In-kind contribution example: You decide to have one of your paid staff persons, working 20 hours a week for your organization, spend five of those hours each week on the project without charge to the grant. The cost of the five hours each week is your in-kind contribution to the project.

In-kind contribution example: You allocate the time of two of our regular volunteers to work on the grant funded project. The hours they spend on the project may be claimed as an in-kind contribution. You need to establish a monetary value for their time, and claim this on the Cost Sharing Form under salaries.

Table: Indicate expenditures in all appropriate categories demonstrating your institution's cost share (match or in-kind contribution).

Narrative: Provide an explanation for each category, including how each contribution directly supports the project's activities and outcomes. Include names, titles, items, etc. Also explain how the cost share was calculated. Note: You must maintain supporting documentation of your compliance. The documentation is subject to review upon audit and/or a program monitoring review. It is not to be submitted with your application.