



Policy Statement

The purpose of this document is to provide guidance to ensure that Nevada State (NS) properly accounts for cost sharing expenditures and does not overburden departments or University resources, or facilities and administrative (F&A) recovery. This policy applies to all units at NS that receive sponsored projects.

You must provide cost share (regardless of type) when required by the sponsoring agency. Because cost sharing typically involves the use of departmental and/or University funds, department heads and/or deans must approve cost share in proposals and may impose limits on the amount of cost sharing. Consider cash cost share only after in-kind cost share is exhausted.

Responsibilities

It is the responsibility of the dean/vice president or chair/director to implement this policy within their unit. Responsibility for resolution of issues that arise regarding this policy rests with the Senior Vice President for Finance and Business Operations and the Office of Grants Award Services, in consultation with the appropriate dean or vice president. Principal Investigators must maintain oversight of all cost share obligations from all sources.

Definitions

Cost Sharing is that portion of a total sponsored project's costs that are not borne by the sponsor. Three types of defined cost sharing:

- **Mandatory Cost Sharing: Required** cost sharing by the sponsoring agency and included in the proposal budget. This can be in the form of a specified dollar amount, a certain percentage of total costs or in-kind.
- **Voluntary Committed Cost Sharing:** cost sharing that the University contributes to a project on its own initiative and is included in the proposal budget or award. Once committed, this amount becomes a legal obligation on the part of the University. NS personnel is highly recommended not to pledge Voluntary Committed cost share.
- **Voluntary Uncommitted Cost Sharing:** cost sharing that is not committed to or included in a sponsored project budget. Do not track for cost accounting purposes. Do not report to the sponsor. An exception is salary expenses that are in excess of a sponsor's salary cap; over-cap salary is cost share that must be certified on an effort report and will be reported to the sponsor but cannot be used to meet a cost sharing requirement.

Cost sharing contained in a funded sponsored project, whether Mandatory or Voluntary (not required for funding consideration) becomes a binding commitment by the University. Once making a Cost Sharing commitment, the University must accurately document our match as it is subject to being reported to the sponsor.

Cost Sharing has a significant financial impact on the department providing the funds and on NS. Hold commitments to a minimum. NS procedure is to provide required Cost Share only when agency guidelines requests it or it is a requirement in specific program announcements. (§ 200.306 Cost sharing or matching).

When proposed cash and in-kind cost sharing is accepted by the sponsor, it becomes a legal commitment by the University. Throughout the term of the project, the principal investigator (PI) and their unit budget officer, along with oversight provided by the OGAS, must maintain sufficient documentation to substantiate the actual cost sharing contribution. This is in compliance with governmental regulations, the Office of Management and Budget (OMB) 2 CFR Chapter I, Chapter II, Part 200, et al., Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (Uniform Guidance) regarding allowability, allocability and reasonableness.

Cost Share Components

Use the following expenditures to meet cost share obligations:

1. Effort and the corresponding salary and fringe benefit costs paid by NS to University employees.
2. Travel, equipment and material costs paid by the University.
3. F&A on costs paid by the University.
4. Unrecovered F&A on the sponsor's portion of the project expenditures if allowed by sponsor.
5. Salary (non-University employees), travel, equipment and material costs paid by a third party.
6. Third party donations.

An expenditure must meet all of the following eligibility criteria to meet a cost share obligation:

- Verifiable from the department's accounting records, including appropriate documentation for in-kind cost sharing.
- Necessary and reasonable for proper and efficient accomplishment of project objectives.
- Allowable under the applicable cost principles and institutional policies.
- Documented in the approved budget when required by the sponsor.
- Expended during the sponsored agreement project period.
- Not paid by the federal government under another assistance agreement (unless authorized by the agreement and by federal law to use as cost sharing).
- Not included as contributions for any other sponsored agreement.

The following expenditures are not eligible to meet cost share obligations:

- Costs incurred outside the start and end dates of the project.
- Costs already used as cost share on another project or for another institutional purpose.
- Restricted or unallowable expenses under the Uniform Guidance such as entertainment or food costs and salary expenses over a sponsor's salary cap.
- Costs that do not benefit the project.
- Administrative and clerical salaries, office supplies, memberships, subscriptions, etc., unless these costs have been fully justified and approved by the sponsor in advance.
- Existing space, facilities, equipment, supplies and utilities.

Third Party Cost Share

In addition to NS resources, it may be permissible to utilize expenditures by a third party to meet a cost share obligation. All third party cost share must be valued based upon reasonableness given the type of third party service provided and properly documented in compliance with the Sponsored Projects Cost Share Accounting procedures.

It is the responsibility of the PI to obtain proper documentation of third party cost share and provide it to Post Award as required by project terms.

Failure to Meet a Cost Share Obligation

Failure to meet a cost share obligation can result in a disallowance of costs paid by the sponsor. The sponsor may reduce its support and/or require reimbursement if the University fails to meet its cost share obligation. In these instances, the PI's department and/or University are required to cover the deficit.

Contacts

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Related Information

- [2 CFR 200.1 - Definitions - Cost sharing or matching](#)
 - [2 CFR 200.306 - Cost sharing or matching](#)
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History

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Certified by: Director, Grants Award Services

At the Direction of: Senior Vice President for Finance and Business Operations
