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<b>Responsible Executive:</b>	Vice President for Financial Affairs
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# Cost Sharing

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## I. REASON FOR THIS POLICY

Establish policies and procedures to meet government requirements to track and report cost sharing to sponsors.

## II. STATEMENT OF POLICY

All contributions, including cash and third party in-kind, shall be accepted as part of the University of South Dakota’s (USD) cost sharing or matching when such contributions meet all of the following criteria:

1. Are verifiable from the USD's records.
2. Are not included as contributions for any other federally-assisted project or program.
3. Are necessary and reasonable for proper and efficient accomplishment of the project or program objectives.
4. Are allowable under the applicable cost principles.
5. Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. Are provided for in the approved budget when required by the Federal awarding agency.

Unrecovered indirect costs may be included as part of cost sharing or matching with documented support for the amount shown.

Values for USD contributions of services and property shall be established in accordance with the applicable cost principles.

Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work at USD. In those instances in which the required skills are not found at USD, rates shall be consistent with those paid for similar work in the labor market in which USD competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

When an employer other than USD furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

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### III. DEFINITIONS

**COST SHARING:** Requirement to provide contributions of a specified amount or percentage to match Federal grant awards. May be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

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### IV. PROCEDURES

All cost sharing expenses should be tracked in Banner using a unique location code set up specifically for each grant award. The location code must follow these guidelines:

- a. The location code is to be the same as the corresponding fund code and must begin with a 2.
- b. The length is six characters.
- c. The description of the location code must begin with letters "CS" followed by either the fund code name or grant name.
- d. Example: 240026 "CS-240026"

If the cost sharing includes salary and/or benefit expenses for an individual, this should be indicated in Banner on screen FRAGRNT within the Effort Reporting section. These salary expenses will thus be verified through the Time and Effort Reporting process.

## VI. RELATED DOCUMENTS, FORMS AND TOOLS

OMB Circular A-110: [http://www.whitehouse.gov/omb/circulars\\_a110/#23](http://www.whitehouse.gov/omb/circulars_a110/#23)

Time and Effort Certification Policy 6.016: <http://www.usd.edu/policies>