

Cost Sharing & Cost Matching

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Purpose & Scope

The purpose of this policy is to establish guidelines for cost sharing and cost matching in accordance with the [Federal Uniform Guidance \(2 CFR Part 200 Subpart D\)](#) to ensure consistency and compliance in all projects and programs funded by federal grants, contracts, and agreements. Note that policies are applied consistently regardless of the funding source. This policy applies to all faculty, staff, students, and subrecipients involved in administering sponsored awards.

Definitions

- *Cost Sharing*: The portion of costs not borne by the funding party but contributed by the recipient or third parties to meet specific program or project objectives.
- *Cost Matching*: The requirement to match a specified portion of project costs with non-federal funds.
- *In-Kind Contribution*: Often referred to as an in-kind donation or in-kind support, a non-monetary contribution of goods, services or assets provided by an individual or organization to a project, program, or cause. Unlike a cash donation, which involves the transfer of money, in-kind contributions involve tangible items or services that have a calculable value. Examples include donated equipment, office space, volunteer labor, professional services, or supplies.

Guidelines

Requirements

- *Mandatory vs. Voluntary*: Cost sharing may be either mandatory or voluntary, depending on the terms and conditions of the award. If mandatory cost sharing is required by the awarding agency it becomes a binding obligation. Voluntary cost sharing is optional but can be offered by the recipient. Note that if voluntary cost sharing is an element of a Request for Proposal (RFP), it may be considered a requirement for the proposal to be considered competitive.

- *Types of Costs:* Cost sharing and cost matching may include allowable costs consistent with the award's terms and conditions. Allowable costs must be necessary, reasonable, and allocable to the project.
- *Sources of Funds:* Cost sharing and cost matching may be provided from a variety of sources, such as cash, in-kind contributions, or third-party contributions. If the desired source is another grant or sponsored award, the sponsors for both grants must provide approval in writing. All contributions must be verifiable and documented in accordance with Federal Uniform Guidance.
- *Documentation:* Recipients must maintain accurate records that clearly demonstrate the source, nature, and value of the cost sharing or cost matching contributions. These records must be retained for the duration specified in the institution's records retention policy.

Responsibilities

- *Federal Awarding Agencies:* Federal awarding agencies are responsible for clearly stating cost sharing or cost matching requirements in award notices and agreements, ensuring consistency with Federal Uniform Guidance.
- *Recipients:* Recipients are responsible for adhering to the cost sharing or cost matching requirements outlined in the federal award. This may include identifying allowable costs, documenting contributions, and ensuring compliance with Federal Uniform Guidance.

Compliance

- *Non-Compliance:* Failure to comply with cost sharing or cost matching requirements may result in financial penalties, disallowance of costs, or other enforcement actions as specified in Federal Uniform Guidance.

Amendments & Waivers

Any proposed changes to cost sharing or cost matching requirements must be communicated to the sponsor for approval. Waivers or modification to these requirements must also be obtained in writing from the awarding agency.