



## Grants and Funded Research

### Cost Sharing

Cost sharing is a general term used to describe resources contributed to a project for which sponsor funding is not requested. These contributions can come from the PI/PD's home institution, or from another grant source (in certain circumstances), or from a third party. Depending on the nature of the cost share, these resources may or may not be subject to audit.

The purpose of cost share is to supplement or augment the funding being requested from the sponsor in order to enhance the project's potential for success and to leverage existing resources which do not need to be requested from the sponsor.

Some funding opportunities require cost share as a proportion of the total project cost, or alternatively as a proportion of the grant funding request. This requirement can be met in a number of ways, as will become apparent.

There are several different types of cost share, as follows:

**Cash match or matching funds:** this is a monetary contribution from the applicant institution. Cost share of this nature is, by definition, an expensive undertaking for the University and should be avoided wherever possible. Where a cash match is required, it is vitally important that commitments are secured from the appropriate University official(s). Applicants may not commit University resources without the appropriate institutional approvals.

**In-Kind Contributions:** In-kind cost share contributions are offerings of a non-monetary nature that contribute to the operation and success of the sponsored program. In-kind contributions can be in the form of committed time and effort from a faculty member for which grant reimbursement is not requested; it can be in the form of equipment for which a fair market value is declared; it can be in the form of unrecovered indirect costs – or sometimes fringe benefits (each with the appropriate institutional approval) which the University would have claimed, but which are forgone in order to channel more funding directly to the program in question and which may, in certain cases, serve to make up a part of the matching requirement outlined in the funding opportunity announcement.

#### **Some caveats about cost share:**

- If cost share is committed in the grant proposal, it is likely to be subject to program audit. For this reason, we should be cautious and responsible about any cost share commitment we make, because it is likely that we will have to document that commitment subsequently to prove that we honored it, and that the funds and resources we committed were indeed contributed to the program. This includes any commitment of time a faculty member might make on his/her behalf, or on behalf of someone else. Time and effort certifications should be able to demonstrate that time committed in a proposal was indeed expended accordingly on the project in question.

- If cost share is required in a certain percentage of the grant request or total project cost, it is advisable not to commit resources above and beyond that amount unnecessarily, because a) you might be subjecting yourself to undue audit scrutiny, b) you might need to use some of those resources as cost share on another project, and c) there is no guarantee that an over-commitment of cost share will necessarily impress reviewers as much as we might intend it to.
- It is generally not permissible to cost share resources from one federal grant as a commitment to another federal grant. There are very rare exceptions to that prohibition, but in general this is not an allowable form of cost share.
- Some sponsors (for example, NSF, for the most part) forbid cost share as a general rule. This is in part designed to spare applicant institutions (and indeed the sponsors themselves) from the audit burden described above.
- Any cost share commitments from third parties should be exhaustively documented in the form of detailed letters of commitment.
- Always read the funding opportunity announcement very carefully for information about cost share as it pertains to your particular proposal. Cost share guidelines will vary from one agency (and indeed one funding opportunity) to another.

#### **Cost Share at CCSU:**

While this is not an official policy position, it is the general position of the University that we should not commit cost share on a grant proposal unless it is absolutely necessary, for the reasons outlined above. In other words, if cost share is required, we will commit the necessary resources (if they can be found and if the appropriate University officers are in agreement about such a commitment) up to the required amount.

If cost share is not required, but strongly recommended, we will do our best to meet any suggested matching contribution (and as far as possible in the form of an in-kind commitment) that will satisfy the sponsor.

If cost share is not required, we generally prefer to avoid making any such commitment merely to impress reviewers with the institutional commitment to the program, unless the absence of such a commitment might jeopardize the ability of the PI/PD to achieve the goals of the project.

If cost share is required but cannot be met to the satisfaction of the University or the sponsor, then we reserve the right not to move forward with a grant application, or to withdraw an application deemed too costly to the University, or where the cost to the University is deemed to outweigh the benefit that might subsequently be derived from such a commitment of institutional and other resources.