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COST SHARING AND MATCHING ON SPONSORED PROJECTS

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Scope: All campuses served by Louisiana State University (LSU) Office of Accounting Services, except those campuses which have in place a written policy with regard to cost sharing and matching on sponsored projects.

Effective: July 1, 2018. This FASOP supersedes and replaces all prior versions.

Purpose: Cost sharing is a contractual obligation committing the University to share in the costs of a sponsored project. In addition, it is essential data used to support the Facilities and Administrative (F&A) rate proposal.

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- A. To provide guidance regarding the circumstances in which cost sharing is permitted by LSU, including what kind of services, expenditures, or assets may be used as cost sharing.
- B. To provide information to the LSU community regarding the contractual, financial, and administrative implications that result from the commitment to cost share.
- C. To establish procedures, which provide LSU with the ability to provide information to sponsoring agencies, which demonstrates that LSU has fulfilled any cost sharing commitments it has made as a condition of external sponsors.
- D. To establish procedures for recording cost sharing expenditures in the LSU accounting system in order to track, report and certify cost sharing subject to audit under Office of Management and Budget (OMB), Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards (2 CFR 200), sponsor guidelines, or terms of the sponsored agreement.
- E. To reinforce the understanding of the financial commitment represented by cost sharing and discourage its usage if not stipulated as a funding requirement by sponsors.
- F. To comply with the requirement of OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200) that all cost sharing and matching on sponsored projects must be properly documented in the University's accounting records.

Procedure:

- A. Definitions
  - 1. Cost Sharing or Matching: That portion of sponsored project costs not borne by the project's sponsor.
  - 2. Sponsor Mandated Cost Sharing: Cost sharing that is required as a condition of funding by the sponsor.

- Proposals with mandated cost sharing or matching as a funding stipulation should include an itemized cost sharing or matching budget as part of the proposal. PIs must provide the Office of Sponsored Programs with written evidence of cost sharing or matching requirements when submitting proposals for institutional approvals.
3. Voluntary Uncommitted and Committed Cost Sharing: Voluntary uncommitted cost sharing is cost share committed outside of what has been identified in the proposal's budget or award. Voluntary uncommitted cost sharing need not be documented. Cost sharing discussed in the budget or budget justification of any proposal is considered voluntary committed cost sharing and must be documented for audit purposes. LSU's Principal Investigators will ensure all voluntary committed cost sharing amounts listed in a proposal narrative ~~but this is not a requirement of the budget (2.4.4) is considered in the~~



In-kind contributions (e.g., equipment, supplies, personnel) from third parties may also be committed as cost sharing or matching if the value of such contributions can be properly documented. The preferred method of documentation requires the contributor to submit signed and pre-numbered invoices detailing the materials, services, etc. provided during the billing period and indicating the amount due is zero. The PI must approve and forward each invoice to Sponsored Program Accounting (SPA).

#### 6. Unrecovered F&A Costs

F&A costs are real costs of conducting instruction and research. Unrecovered F&A costs may be included as part of cost sharing or matching only with the prior approval of the sponsor.

#### E. Funding Cost Sharing Commitments

Identifying and providing resources for cost sharing is the responsibility of the PI. The PI may not use funds from federal awards as the source of cost sharing, except as authorized by statute. The PI may use funds from non-federal ye2/(c)- auCID 139 (or)-6.36aalyhen0.5 (n.8 ( t)- Td )05

The PI of a sponsored project is responsible for documenting the matching or cost sharing commitment for the project or coordinating such documentation during the project period through his/her department chair.

That portion of a cost sharing commitment which is comprised of personnel costs must be documented on the cost sharing grant established for cost sharing

Effort Certifications are an after-the-fact certification of time and effort that should reasonably reflect the activity of that individual. Effort documented on cost sharing grants are certified on the effort reports

In order to use funds as cost sharing or matching to a sponsored project, their function must match the function of the sponsored project. Thus, sponsored research projects must be matched by research funds (i.e. Unrestricted FD100, FD101, FD102; Restricted FD220, FD221, FD260, FD299, FD3XX Auxiliary, FD600 Unexpended Plant, FD7XX Renewal & Replacement; Foundation)

Cost sharing or matching funds must be expended within the project period of the sponsored agreement which they support. Funds can only be cost shared to one project.