1.0 Introduction

A. Matching, cost sharing, cost contribution, in-kind and buy in are all terms used to refer to the share of the project costs which are required to be borne by sources other than a particular sponsoring agency's funds in support of a project. In some programs, legislation or regulation mandates these requirements. In other programs, the grantor wants a demonstration of college commitment to a project by asking the college to share in the project. For The Citadel, the method and source of cost sharing is required to be shown and approved for all grants at the time the grant application is prepared.

B. All costs used to satisfy the cost sharing requirements must be documented by the college and shall be subject to audit. Two methods- extra effort and direct charging- are used at The Citadel. Extra effort is documented through the college's effort reporting system. Direct charging will generally be charges specifically charged to an account set up to capture cost sharing. This account must be funded. For federal funds, the fund source cannot be other federal funds.

C. The only costs that can be counted as cost sharing are labor costs and those charges that are invoiced and can be specifically identified as to cost, quantity, etc. For example, supplies bought from the college's supply vendor are identifiable as to cost and quantity. The use of a currently owned computer, or college space, is not identifiable and cannot be considered as meeting cost sharing requirements. Additionally, cost shared items cannot include costs that the college does not normally charge to academic programs. (Cost Accounting Standard 501 requires consistency between costs charged to a federal project and those costs considered as cost sharing).

2.0 Procedure

A. Labor will be documented through the effort reporting system. The faculty members working on a grant are required to provide an after-the-fact certification for the percent of
effort during the academic year and person-months in the summer that they spent working on the grant. The person-months will be converted to dollars and any amount over what the grant paid the faculty members will be considered as cost sharing. Cost sharing will be "grossed up" for the appropriate fringe benefit rate and the indirect cost rate in the effort computation. If the grant does not allow overhead in the award, then the match may be grossed up by the overhead the college absorbs. In other words, if the grant pays some salary and fringes but eliminated indirect cost, the indirect costs associated with the salary and fringes paid for by the grant may be considered as match. That is because the college has negotiated an overhead rate with the federal government and indirect costs are real and allowable costs, whether a grant will pay for them directly or not.

B. Direct charges will be purchase orders, requisitions, and other such charges posted directly to the account set up and funded to collect the cost shared items. These will be regular purchases or internal charges that are similar to other costs borne by academic programs.

3.0 Example

A grant application process requires that the college match 50%. The funds paid by the grantor will be $20,000. Therefore the college must document $10,000 of expenditures. As the budget is built, the faculty member working on the grant determines that he will spend two person months working on the grant, in the summer, but only charge the grant for 1 person-month. The cost of the extra person-month will be computed, fringe benefits will be added to that amount, and then the college's research indirect cost rate of 45% of salaries and fringes will be applied (if a research grant). Assume this totals out to be $7,500. The remaining cost share items must be $2,500. The faculty member should have obtained a source of funds for that $2,500 at the time the application was prepared. Once the grant is awarded, an account will be established as the grant "match" account.

At the end of each academic term and then at the end of the summer, The Citadel Payroll Supervisor will complete an effort certification form. This is the form used to document ALL the effort provided to the grant by the faculty member during the period covered. (All means both the work paid for and the cost shared work).