Cost Sharing 101:
Calculating Cost Sharing for
NEBHANDS and Beyond

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What *is* cost sharing, anyway?
Cost Sharing is:

• The specific portion of total costs of a project or program that is not funded by the sponsor.

• Pledged by the awardee or collaborating partners

• Also known as:
  – Matching Contribution
    • Cash outlay
  – In-Kind Contribution
    • Non-cash contributions
    • From any source (donations, non-federal grants, volunteer time)
Types of Cost Sharing

- **Mandatory**
  - Required by the funder in order to receive award

- **Voluntary**
  - Cost associated with a project, but not required by the sponsor
Cost sharing is just like federal money in that it:

- Must follow the same cost principles as federal dollars
- Must contribute in a meaningful way to the project’s objectives
- Must have a monetary value
Federal Regulations

Recipients must follow the Federal regulations set forth in the applicable OMB Circulars for their organization.

- OMB Circular A-110, Uniform Administrative Requirements for Grants and other agreements with Institutions of Higher Education, Hospitals, and other Non Profit Organizations
  - http://www.whitehouse.gov/omb/circulars/a110/a110.html

AND
Federal Regulations

• Non-Profit Organizations
  – OMB Circular A-122,
    http://www.whitehouse.gov/omb/circulars/a122/a122.html

• State, Local, and Indian Tribal Governments
  – OMB Circular A-87,
    http://www.whitehouse.gov/omb/circulars/a087/a087-all.html

• Educational Institutions
  – OMB Circular A-21,
    http://www.whitehouse.gov/omb/circulars/a021/a021.html
Cost Sharing Rules

• All cost sharing contributions:
  (1) Are verifiable from the recipient'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 project or program objectives.
  (4) Are allowable under the applicable cost principles.

  – OMB Circular A-110, Subpart C, .23
(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.

(7) Conform to other provisions of the Circular, as applicable.

OMB Circular A-110, Subpart C, _.23
Examples

- **Staff time**
  - Includes actual staff time, project planning, meetings, committee involvement, etc.
  - Valued at the employee's regular rate of pay (plus fringe benefits)

- **Volunteer time**
  - Value at $16.05/hour rate (Independent Sector’s suggested rate)
  - Conference and workshop attendance

- **Supplies**
  - Expendable equipment; office supplies, workshop/conference supplies, and classroom supplies, postage, etc.
  - Personal Computers/Peripherals
Documentation

• Financial Status Report (FSR)

• Organization’s Internal Documentation
  – Each organization responsible for keeping detailed records on file (see OMB Circulars A-110 and A-133 for audit requirements).
  – Records include amount and basis for determining value
  – Examples
    • Time sheets/Activity logs
    • Attendance sheets
    • Receipts
    • Commitment letters