

OFFICE OF SPONSORED PROGRAMS (OSP) – COST SHARE INFORMATION SHEET

What is Cost Sharing or Matching?

Some funding sources require cost-sharing or matching as part of their proposal. These are cases where the funder awards money to the South Dakota Mines for certain direct and indirect (F&A) costs but requires that Mines also spends funds to support the proposal. Cost sharing most often takes the form of a portion of the researcher's time and effort. All cost share must be paid from non-Federal sources and cannot be used as cost share for any other project. [Mines Policy IX-04](#) outlines requirements for cost share.

Normally, if a cost is allowed as a direct charge to the grant funds, then that type of cost would be allowable as cost share if purchased from non-Federal funding. Items NOT allowed as a direct charge to a project cannot be used as cost share documentation.

OSP will email the PI and their department admin person when a new award is received that includes a budget showing the cost share requirements with a reminder of the cost share commitment. Faculty should work with their department administrative staff to change any payroll distributions to include the Location Code to document cost share using an EPAF.

Other expenses may be used as cost share and all of these must be from non-Federal sources and purchased between the start and end dates of the project. To document cost share from equipment purchases, travel expenses, materials or supplies purchases, or equipment or lab usage fees, the location code needs to be included when submitting expenses paid by Mines. If the location code is not included, the PI will need to provide OSP with documentation to verify expenses for reporting requirements. Required documentation would include:

Travel or Supplies – copies of the paid invoice(s) with all detail attached. Invoice(s) must show the Fund that paid the expense, date of purchase, dollar amount of invoice to be used as cost share (as sometimes more than one Fund pays for items shown on an invoice), and project or Fund number the cost sharing is to be documented for.

Equipment or Lab Usage Fees – provide a copy of the log showing the name of the piece of equipment used, date of the usage, amount of time used, name of user, and cost of usage – i.e., any information you would normally provide if the usage was being direct charged to a person or project.

Purchase of Equipment – copies of the paid Invoice with all detail attached. Invoice must show the Fund that paid the expense, date of the purchase, dollar amount of the invoice to be used as cost share, and project or Fund number the cost sharing is to be documented for.

For cost share of in-kind services or donations from industry partners the PI will obtain, on letterhead from the donator, a description of the item(s) donated and that it was a donation to Mines, a reasonable dollar value for the donation, and date of the donation. The letter must be signed by an authorized person of the company. The original copy of this letter would be provided to OSP.

For cost share of volunteer house, the volunteer must first complete an [online volunteer form](#) and submit it to HR for review. If the volunteer is approved by HR, a log must be submitted to OSP showing the name of the person volunteering, date(s) and number of hours volunteering took place, and hourly rate for the volunteer hours. Each volunteer must sign the log approving the information shown.

Mines is committed to cost share the total dollar amount shown in the approved budget, and any additional items included in the proposal addressed as donations or contributions of Mines. If an item is proposed and

the awarding agency approves that proposal, then the PI is committed to document all items mentioned in the proposal, even if not shown on the actual budget form.

The PI may change the cost share budget categories for other items not shown in the proposed cost-share budget that will make up the total cost-share amount, as long as it would be allowable per the Federal guidelines, are made up of non-Federal funding, and the total amount of cost-share commitment is met, unless otherwise authorized by the funding agency.

Items that are normally not allowable as a direct charge to a project so therefore not allowed as cost share documentation are:

- Salary and fringe benefits for administration staff (unless prior approval received) because this expense is included in the Mines approved F&A rate agreement.
- Purchase of clothing such as T-shirts
- Gifts cards/incentives/gifts (unless prior approval received)
- Storage/lab space usage (unless rate established by Finance and Administration and have a signed lease or contract)
- Any other Federal funds (unless prior approval received in writing)

Sources:

Mines IX-04 Cost Sharing for Research and Other Sponsored Activity
Federal Guidelines; 2CFR200.306