

COST SHARING (MATCHING)

Cost sharing occurs when Wellesley College or a third party bears a portion of the costs of a sponsored program. Cost sharing commitments may be fulfilled by providing equipment, supplies, or other resources or by committing faculty, student, or staff effort to a program at no cost to the sponsor. The term “cost sharing” is used in this document to refer to both cost sharing and matching.

Definitions

Committed cost sharing: Specifically identified, enumerated, and/or described in a proposal budget or body and made a condition of the resulting award. Sponsors require that committed cost sharing be tracked, documented, and in some cases certified and reported.

In-kind contributions: Non-cash contributions in the form of real property, equipment, supplies, and other expendable property, and the value of goods and services benefitting and specifically identifiable to the project or program.

Mandatory cost sharing: Required by the sponsor as a condition of an award. Mandatory cost sharing results either from statutory requirements or from agency/sponsor policy requirements.

Uncommitted cost sharing: Any contributions to the project which are not specifically identified, committed and/or budgeted for in a proposal or the resulting sponsored agreement. Uncommitted cost sharing does not have to be tracked, documented, or reported.

Voluntary cost sharing: Not required by the sponsor, but offered by the grantee institution as a demonstration of its commitment to the project. When voluntary cost sharing is included in the proposal budget or otherwise specifically identified and enumerated in the proposal, it is considered committed cost sharing once the award has been made.

POLICY

The policy of Wellesley College is to assume a cost-sharing commitment only when necessary to meet the requirements of the sponsor or the sponsored project, or when cost sharing will clearly offer a competitive advantage. All cost-sharing commitments must be approved by the department chair and the Vice President for Finance & Administration. If cost sharing is proposed to and accepted by a sponsor, it becomes a legally binding obligation of the College once the award has been granted. The College is required to maintain records of all costs that are claimed as committed cost sharing. If a cost sharing commitment includes in-kind contributions the basis for determining the value must be documented. Both internal and external cost-sharing commitments require written evidence of commitment (email or letter) and a detailed budget.

To avoid voluntary committed cost sharing, College facilities, equipment, faculty expertise, and other resources should **not** be included in a proposal budget or budget justification for \$0 or as in-kind

contributions. Instead, these items may be described in a “Facilities and Resources” proposal section or in the body of the research plan as available to a program as needed, or using similar indefinite language.

PRACTICE

Cost Sharing Approval Process

All Cost Sharing, whether it is mandatory or voluntary, must receive approval from the appropriate College officials and/or budget managers before the proposal is submitted to the sponsor. The process is as follows:

- The PI should contact the Office of Sponsored Research or Wellesley Centers for Women (WCW) Grants & Contracts Services as appropriate well in advance of the proposal deadline to discuss the specifics of the proposal and the cost-sharing commitment.
- The PI drafts the cost-sharing budget and attaches it and any letter(s) of commitment to the [Proposal Routing Form](#).
- The PI submits the Proposal Routing Form. The form and cost-sharing plan are automatically routed for review and approval to the PI’s Department Chair or Center/Institute Director, the Director of Sponsored Research or the WCW Director for Grant and Contract Services as appropriate, and the Vice President for Finance and Administration. If further information is required, the Office of Sponsored Research or WCW Grants & Contracts Services will contact the PI.

Source of Funds for Cash Contributions

The PI should work with his or her department chair to identify sources of funds for cash contributions to cost-sharing commitments.

- Cash contributions are typically funded by gifts, non-federal grants, operating budgets, or other College-designated funds.
- The full indirect costs associated with the direct costs to be counted as cost share should be included in the cost-sharing plan and are typically provided in kind, meaning a budgetary source need not be identified.
- Funds from federal awards may not be used as a source of cost sharing for other federal awards.

Valuation of In-Kind Contributions

Value of in-kind contributions must be consistent with what the College would normally pay for similar items or services. Valuation of the time of Wellesley College employees must be based on the

employee's College base rate of pay and include the cost of fringe benefits and indirect costs if applicable. Valuation of the use of College resources must be consistent with what the College would normally charge for similar use. Valuation of third-party in-kind contributions is determined as follows:

- **Volunteer Services:** Services provided to the College by volunteers are valued at rates consistent with those paid by Wellesley College to its employees performing similar work. If Wellesley College does not have employees performing similar work, the applicable rates are those paid by other employers for similar work in the labor market in which Wellesley College competes for the same type of services. In either case, fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.
- **Employees of Other Organizations:** When an employer other than Wellesley College furnishes the services of an employee, these services are valued at the employee's regular pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, and overhead costs at the other organization's approved federal rate, if applicable), provided they are in the same line of work for which the employee is normally paid. If these services are in a different line of work, then the rules for volunteer services apply.
- **Donated Supplies and Loaned Equipment or Space:** If a third party donates supplies, the contribution should not be valued in excess of the market value of the supplies at the time of the donation. If a third party donates the use of equipment or space in a building but retains title, the contribution is valued at the fair market rental value of the equipment or space.

Allowable Cost Sharing Expenditures

Cost sharing expenditures must satisfy all of the following criteria:

- Verifiable from the College records;
- Not used as cost sharing for any other award;
- Necessary and reasonable for accomplishment of project objectives;
- Allowable under the terms of the award;
- Conforms to the provisions of federal regulations and requirements, as applicable;
- Incurred during the effective dates of the award or during the pre-award phase when authorized by the sponsor; and
- Not paid by the federal government under another award.

Unallowable Cost Sharing Expenditures

The following expenditures cannot be offered as cost sharing commitments in sponsored project proposals:

- Costs considered unallowable by the College or by the sponsor;
- Salary amounts exceeding a regulatory salary cap (e.g., training award or fellowship salary caps); and
- College facilities and administrative costs such as laboratory space and general administrative support when also claiming full indirect costs as cost share.

Post-Award Tracking and Documentation

Cost-sharing commitments must be fulfilled before the sponsored award end date. Documentation of all charges and in-kind contributions to be counted as cost share must be sent to the Associate Controller. Examples of acceptable documentation include itemized receipts, usage logs, time sheets, and completed Time and Effort Report forms. The Associate Controller tracks cost-sharing commitments and reports them to the sponsor.