



## KENTUCKY STATE UNIVERSITY

### Policies and Regulations

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#### REGULATION TITLE:

**Cost Sharing**

#### APPLIES TO:

**All faculty, staff, and administrative departments involved in proposing, managing, and reporting on sponsored projects**

#### ADMINISTRATIVE AUTHORITY:

**Office of Research & Innovation**

**Sponsored Programs**

**Office of the Provost and Vice President of Academic & Student Affairs**

#### APPROVED BY:

#### EFFECTIVE DATE:

#### NEXT REVIEW DATE:

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#### REGULATION STATEMENT:

It is the policy of Kentucky State University (KSU) to provide cost sharing on sponsored projects only when it is required by the sponsor's written guidelines (mandatory) or when strategically necessary to ensure the competitiveness of a proposal. All cost sharing represents a firm commitment of KSU resources and must be approved, administered, documented, and reported in full compliance with federal regulations, specifically the Uniform Guidance (2 CFR 200.306), and all applicable sponsor and KSU policies.

#### DEFINITIONS:

##### Cash Contribution

KSU's direct cash outlay to cover project costs, such as salaries for project personnel, purchase of supplies, or travel expenses.

##### Cost Sharing

The portion of total project or program costs not borne by the sponsoring agency. Also known as matching or cost matching.

### **In-Kind Contributions**

A non-cash contribution of goods or services, such as donated time (effort), expertise, or the use of equipment or facilities.

### **Mandatory Committed Cost Sharing**

Cost sharing that is required by the sponsor as a condition of eligibility for an award. This requirement will be specified in the funding opportunity announcement.

### **Voluntary Committed Cost Sharing**

Cost sharing that is not required by the sponsor but is offered in the proposal budget or budget justification. Once offered, it becomes a binding commitment upon award and must be tracked and reported.

### **Voluntary Uncommitted Cost Sharing**

KSU-contributed effort or other resources that are over and above the amount committed as cost sharing in the proposal. This is not included in the proposal budget, is not required to be tracked, and should not be reported.

## **PROCESS:**

### **General Principles**

- **Discouragement of Voluntary Cost Sharing:** Voluntary committed cost sharing is strongly discouraged as it creates a binding financial obligation and significant administrative burden for KSU. It should only be included in a proposal after careful consideration and with the explicit approval of all responsible parties.
- **Institutional Approval:** All commitments of KSU resources for cost sharing must be reviewed and approved by the responsible Department Chair and/or Dean prior to proposal submission. This approval signifies that the unit has identified a permissible, non-sponsored source of funds to cover the cost-sharing commitment. Final institutional approval is granted by the Office of Research & Innovation.

### **Criteria for Allowable Cost Sharing**

All cost-sharing contributions, whether cash or in-kind, must meet the following criteria as required by federal regulations:

- They must be verifiable from KSU's records.
- They must not be included as contributions for any other federally assisted project or program.
- They must be necessary and reasonable for the proper and efficient accomplishment of project or program objectives.
- They must be allowable under the applicable federal cost principles.
- They must be identified and described in the approved budget when required by the federal awarding agency.

### **Responsibilities**

- **Principal Investigator (PI):** Responsible for identifying the need for any cost sharing, providing a clear justification, securing approval from their department and college for all cost-sharing commitments,

ensuring the committed resources are provided, and working with administrative staff to document all contributions accurately.

- **Department and College:** Responsible for reviewing and approving cost-sharing commitments, verifying that a specific, allowable, and non-sponsored source of funds has been identified to meet the commitment, and assisting the PI with tracking and documenting contributions.
- **Office of Research & Innovation:** Responsible for reviewing all proposals to verify that cost-sharing commitments are necessary, properly documented, and have the required institutional approvals. ORI provides guidance on sponsor policies and reports cost sharing to sponsors as required.
- **Division of Finance & Administration:** Responsible for establishing separate accounts, as needed to track cost-sharing expenditures, ensuring all contributions are properly documented in KSU's financial system, and preparing official financial reports that include cost-sharing data.

### **Allowable and Unallowable Sources of Cost Sharing**

- **Allowable Sources:** Allowable sources include unrecovered Facilities & Administrative (F&A) costs (indirect costs) when approved by the sponsor, contributed effort of KSU personnel with appropriate documentation, costs financed by non-federal cash income, and the value of third-party in-kind contributions.
- **Unallowable Sources:** Unallowable sources include costs financed by other federal awards (unless explicitly authorized by statute), costs designated as unallowable by federal cost principles, and any costs already used to meet a cost-sharing requirement on another award.

### **Documentation and Audit**

All cost-sharing commitments must be documented with the same level of detail and rigor as costs charged directly to a sponsored award. This documentation is subject to review by internal and external auditors. All cost-sharing records must be retained in accordance with the record retention policies of KSU and the sponsor.

## **REFERENCES AND RELATED MATERIALS:**

- Uniform Guidance, 2 CFR § 200.306, "Cost sharing or matching"

## **CONTACTS:**

Subject	Office	Telephone	E-mail
General Questions & Disclosures	Sponsored Programs	(502) 597-5837	<a href="mailto:Dorothy.Daley@kysu.edu">Dorothy.Daley@kysu.edu</a>

## **HISTORY:**

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Regulation)	June 2025	Dorothy Daley and Zach Atwell