



# WPI

**Title:** Cost Share Guidelines  
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## Introduction

This document provides definitions and guidance in identifying and handling cost share contributions. Cost sharing or matching is the portion of project costs needed to carry out the project but not paid by Federal funds. All cost share must be incurred within the period of performance of the federal award. In some cases, sponsor approvals must be obtained, per the cost category guidance below.

For additional Information, Please see 2CFR200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (also called Uniform Guidance) - [§200.306 Cost sharing or matching](#).

## Allowability

Cost share/matching funds and all contributions, including cash and third party in-kind contributions, must meet all requirements established by Federal regulations and sponsor terms and conditions. Please see SPA Chart of Allowability for common allowable and unallowable costs. Valid cost share expenses:

- Are **allowable** as listed under Subpart E—Cost Principles of the Uniform Guidance;
- Are **meaningful** and demonstrate commitment to the success of the research project;
- Are **necessary and reasonable** for accomplishment of project or program objectives;
- Are **non-duplicative** - not included as contributions for any other Federal award;
- Are **non-Federal source** - not paid by the Federal Government under another Federal award;
- Are **verifiable** from the non-Federal entity's records;
- Are provided for in the approved budget when required by the Federal awarding agency; and
- Conform to other provisions of [§200.306 Cost sharing or matching](#), as applicable.

Cost share may be committed with the designation of "cash" or "in-kind" cost share.

- **Cash Cost Share:** Cash contributed to the project by the recipient or third parties where an actual cash transaction occurs and can be documented in WPI's accounting system.
- **In-kind Cost Share:** Non-cash contributions in the form of effort, real property, equipment, supplies and other expendable property. In-kind contributions are those where a value of the contribution can be readily determined, verified and justified but where no actual cash is transacted in securing the goods or services.

## **Cost Sharing Documentation**

The PI is responsible for providing appropriate documentation for the cost share reported. This may include:

- A WPI cost share spreadsheet
- Transaction lists and/or detailed receipts.

Cost share required for projects must be approved at the time of proposal. All records must be available upon request for auditing purposes.

### **Common Categories of Cost Share**

Cost sharing can include labor, fringe benefits, travel, materials, equipment charges, and associated overhead. Expenses must be integral and necessary to carry out the project. Costs must occur during the period of performance of the federal award to be potentially allowable. For donations, value assessed must be reasonable and must not exceed the fair market value for the item(s) at the time of the donation.

#### ***Labor:***

Compensation for personal services, including professional and technical personnel and other skilled and unskilled labor, may be counted as cost sharing or matching. The effort/service shall be valued at the employee's regular rate of pay, provided the effort/service is in the same skill for which the employee is normally paid. Provide the hours worked or percentage of effort on the project.

Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization.

Fringe benefits should be valued at rates consistent with those charged at the organization.

#### ***Travel:***

Travel conducted in support of an approved project, program, or meeting may be included as cost share. All costs must be reasonable and allowable under the applicable cost guidelines.

- In some cases, Federal Per Diem rates will apply. <https://www.gsa.gov/portal/content/104877>
- Foreign travel requires prior sponsor approval.
- All foreign travel must be Fly America or Open Skies compliant:  
<https://www.gsa.gov/portal/content/103191> and <https://www.state.gov/e/eb/tra/ata/>

#### ***Materials and supplies:***

Materials, laboratory supplies, and fabricated parts are allowable.

#### ***Real Property or Equipment:***

New equipment purchases may be used as cost share provided that the purchase and/or donation has received prior sponsor approval and will be exclusively used to meet the objectives of the center or related project.

#### ***Indirect Costs (Unrecovered F&A):***

Unrecovered indirect costs may be included as part of cost sharing or matching. Rate and application method used must be consistent with organization's applicable federal rate agreement and/or institutional practice for similar work carried out in the organization.

***Other Cost Share:***

Other costs that may be considered as cost share include those donated or contributed that do not fall under one of the previously defined cost types.

- **Tuition** for graduate students if the tuition is not being covered by other federal funds
- **Renovation costs** (prior sponsor approval is required)
- **Administrative Salaries** (prior sponsor approval is required)
- **Equipment usage fees** and/or facility usage fees (from an approved service center only)

***Common Unallowable Costs:***

Administrative salaries (unless approval is obtained), alcohol, general office supplies, construction costs, proposal costs, prior research costs, patent costs