

NUMBER: FINA 3.03 (formerly BUSF 3.03)  
SECTION: Administration and Finance  
SUBJECT: Contracts and Grants -- Cost Sharing  
DATE: December 18, 2006  
REVISED: February 5, 2016  
Policy for: All Campuses  
Procedure for: All Campuses  
Authorized by: Vice President for Finance and Chief Financial Officer  
Issued by: University Finance - Contract and Grant Accounting

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## I. Policy

The University of South Carolina will follow policies and procedures consistent with the requirements of the State of South Carolina Code of Laws, State of SC Regulations, Federal Guidelines and University policy. Matching, cost sharing, cost contribution, in-kind and "buy in" are all terms used to refer to the share of the project costs which are required to be borne by sources other than a particular sponsoring agency's funds in support of a project. In some programs, these requirements are mandated by legislation or regulation.

- A. The State of South Carolina requires that the method and source of cost sharing be shown and approved for all research grants.
- B. In the case of federally sponsored programs, the contribution must come from non-Federal sources. Also, in the case of programs sponsored by Federal agencies, all costs used to meet cost sharing must be allowable, allocable, reasonable and necessary in accordance with the requirements in 2 CFR 200.
- C. Mandatory cost share is cost sharing that is required by the sponsoring agency. It may be in the form of a specific dollar amount or a certain percentage of total costs.
- D. Voluntary cost share is cost sharing that is not required by the sponsoring agency. Voluntary cost share is discouraged by the university and should not be included in the proposed budget.
- E. Committed cost share is cost sharing that has been included in the proposal and accepted by the sponsor, regardless of whether it was mandatory or voluntary. The amount of cost share included in the proposal becomes part of the legal requirements of the

grant/contract and must be tracked in the university accounting system to document the commitment is met.

## II. Procedure

- A. The University uses an analytical code in its accounting system to record the cost sharing or matching funds.
- B. The monthly cost sharing statement is available to each principal investigator with grants that have cost sharing obligations. This statement contains detailed cost sharing transactions for the current month with prior months' activity being brought forward in a cumulative balance amount.
- C. Information on Federal agencies may be accessed on the Contract and Grant Accounting website:[https://sc.edu/about/offices\\_and\\_divisions/controller/grants\\_and\\_funds\\_management/index.php](https://sc.edu/about/offices_and_divisions/controller/grants_and_funds_management/index.php) or by visiting Sponsored Award Management 's website:  
[https://sc.edu/about/offices\\_and\\_divisions/sponsored\\_awards\\_management/index.php](https://sc.edu/about/offices_and_divisions/sponsored_awards_management/index.php).
- D. Example of Cost Sharing  
See  
[https://sc.edu/about/offices\\_and\\_divisions/sponsored\\_awards\\_management/proposal\\_preparation/budget\\_preparation/cost\\_sharing.php](https://sc.edu/about/offices_and_divisions/sponsored_awards_management/proposal_preparation/budget_preparation/cost_sharing.php)

## III. Reason for revision

Policy revised due to departmental reorganization and departmental name changes. Updated policy reflects state and federal laws and guidelines.