



## 2 CFR 200: Research Compliance

### 2 CFR 200.306 Explanation of Cost Sharing

1. The cost must be documented and verifiable.
2. The same cost can't be used on multiple projects as cost sharing.
3. The cost has to be necessary and reasonable for the completion of the project.
4. The cost must be allowable; if the cost can't be charged as a direct cost, it can't count as cost sharing.
5. The cost can't be paid by the federal government by another award without permission.
6. All allowable costs must be included in the cost sharing calculation (for example, both the benefits and F&A rate must be considered).
7. Third-party cost sharing occurs when an outside organization submits a letter of support that clearly documents its commitment to contributions that is included in the proposal. The only requirement is that the value can be documented for audit.

### USD Policies

Although not all applications require an approved budget for cost sharing, it is important to have a budget that designates these anticipated expenditures and/or time commitment to prove responsible financial stewardship of the funds. USD discourages voluntary cost sharing. All cost sharing expenses after award are then tracked in Banner. Grants Accounting will also be contacting departments individually at the beginning of a new grant cycle to verify that Banner's electronic cost share tracking will occur in conjunction with the grant cycle. If you would like more information on USD policies and procedures, please email [ORSP@usd.edu](mailto:ORSP@usd.edu).

### What This Means for Cayuse

Cost sharing information will be input into the "attachments" section of a Cayuse SP proposal record, and the cost share budget will be integrated into the overall project cost.

#### **OFFICE OF RESEARCH AND SPONSORED PROGRAMS**

414 East Clark Street • Vermillion, SD 57069 • 605-677-5370 • 605-677-6387 fax  
[orsp@usd.edu](mailto:orsp@usd.edu) • [www.usd.edu/research](http://www.usd.edu/research)