Purpose
Identifying Cost Share in RAMSeS

Introduction
Cost sharing describes those allowable, allocable and reasonable expenses of a sponsored project that are not borne by the sponsor. Cost sharing may be reportable and if so, it’s an auditable expense. Cost sharing may also be described as matching funds, leveraging funds, and institutional contribution. Types of cost share include:

1. Reportable Cost Share:
   a. Reportable, mandatory cost sharing includes costs that are direct to the project, but not born by the sponsor. In fact, the sponsor requires that ECU bear a portion of project costs, usually represented by a ratio or percent of total project costs. Such costs must be allowable and allocable to the project and paid from a variety of sources. Federal funds, including flow through funds, cannot be used as a cost share on other federal grants. All cost sharing is reported by ECU on periodic and final financial reports to the sponsor and the ECU auditors.

   b. Reportable, voluntary cost sharing includes costs that are direct to the project, but not borne by or required as a contribution by the sponsor. If cost sharing is volunteered on a project, and is included in the sponsor budget, it automatically becomes auditable and reportable to the sponsor. Voluntary cost sharing is strongly discouraged and must be approved by the Dept. Chair, Dean and VC-RGS prior to proposal submission.

2. Non-Reportable Cost Share: Non-reportable, voluntary cost sharing includes costs that are direct to a project but are NOT required by the sponsor, not included/noted in the sponsor budget and not reportable on financial reports to the sponsor. Non-reportable, voluntary cost sharing is a long standing tradition in academia and is how universities subsidize the research enterprise.

   One example of non-reportable, voluntary cost shares is the effort provided by faculty on a sponsored program during the academic year and paid by a state funded salary line. An additional example is the under recovery of F&A, i.e. ECU’s negotiated F&A rate is 43.5% MTDC, however as a sponsor will pay only 10% F&A. The difference between the negotiated rate and the allowed rate of 10% is an under recovered F&A, as well as a voluntary cost share that is not reportable to the sponsor.
**Procedure**
Only reportable cost sharing is identified in RAMSeS. It will be either mandatory and/or voluntary as described above and for which RAMSeS has data entry fields. Under recovery of F&A will NOT be shown as a cost share unless it’s included in the proposal budget and will be reportable to the sponsor. The portion of salary that exceeds a sponsor’s salary cap will only be shown as a cost share when it is reportable to the sponsor. “In kind” represents goods/services with a cash value that are provided by a party other than ECU. Matching represents the amount and sources of funds from ECU that will be reported to the sponsor.

**Exceptions**
Non-reportable, mandatory cost sharing: There is not cost sharing that is both required by the sponsor, but not reportable. Remember, the inclusion of numbers in the budget or narrative of the proposal sent to the sponsor transforms it into reportable cost sharing.