



Lucas County Grants Administration and Compliance How-To Guide

Cost Share Guidance

413.02

This guidance provides information about cost sharing, including what cost share means, the types of cost share that can be proposed, and general rules on topics such as allowability and verification.

What is cost share?

Cost Share, also known as “match” and “non-Federal share,” is the portion of the costs of a federally assisted project or program not borne by the Federal government. Cost sharing augments federal funding to increase the project’s impact. It also ensures that recipients have a financial stake in the project’s success.

The terms “cost sharing” and “cost matching” are often used synonymously. See 2 CFR §910.130.

What are the types of cost share?

There are a number of types of cost share, but the main two kinds of cost share used at Lucas County are:

- **Cash Cost Share**—This encompasses all contributions to the project made by the recipient or subrecipient(s), for costs incurred and paid for during the project. Cash contributions include, but are not limited to, personnel costs, fringe costs, supply and equipment costs, indirect costs, and other direct costs.
- **In-Kind Cost Share**—This encompasses all contributions to the project made by the recipient or subrecipient(s) that do NOT involve a payment or reimbursement and represent DONATED items or services. In-Kind cost share items may include volunteer time (of non-salaried employees), donated existing equipment, or donated existing supplies. The cash value and calculations thereof for all In-Kind cost share items must be justified and explained in the Cost Share section of the project Budget Justification.

What are the Categories of cost share?

Within the types of cost share, there are categories of mandatory and voluntary cost share.

- **Mandatory cost sharing** is required as a condition of obtaining an award. It must be included, or a proposal will receive no consideration.
- **Voluntary Committed Cost Sharing** means not mandated however cost sharing amounts were included in the proposal and/or budget that were provided to and approved with the intention of the recipient providing funding for these costs. Voluntary committed cost sharing amounts and documentation will be reported and submitted.
 - Note: If cost sharing is in the proposal, it is deemed committed as a cost share obligation. The cost share obligation must be met within the project period.
- **Voluntary Uncommitted Cost Sharing** occurs during the life of the award and were not offered in the proposal and/or budget provided to the sponsor. Voluntary uncommitted cost sharing amounts and documentation are not reported to the sponsor. These documents should be kept in case of audit.



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All cost share items must be reasonable, allowable, allocable and necessary to the performance of the project.

What is allowable cost share?

Every cost share contribution must be allowable under the applicable federal regulations on cost principles. In general, if a cost is allowable under the cost principles applicable to the organization incurring the cost and is eligible for reimbursement under a grant or cooperative agreement, then it is allowable as cost share. Conversely, if the cost is not allowable under the cost principles and not eligible for reimbursement, then it is not allowable as cost share. In addition, costs may not be counted as cost share if they are paid by the federal government under another award unless authorized by federal statute to be used for cost sharing.

The rules associated with what is allowable as cost share are specific to the type of organization that is receiving funds under the grant or cooperative agreement. Regulations addressing the allowability of cost share, include:

- 2 CFR Part 200 Subpart E-Cost Principles for all other non-federal entities
- 2 CFR §200.306
- 2 CFR §910.130(d)

Cost share contributions must be specified in the project budget, verifiable from the prime recipient's records, and necessary and reasonable for proper and efficient accomplishment of the project. As all sources of cost share are considered part of total project cost, the cost share dollars will be scrutinized under the same federal regulations as the project's federal dollars.

Are funds from other federal sources allowed as cost share?

Funds from other federal sources are generally not eligible to be used as cost share. Project teams may not use the same cash or in-kind contributions to meet cost share requirements for more than one project or program. Cost sharing commitment letters from subrecipients and third parties must be provided with the original application.

How do I note this on the resolution for the Board of Commissioners?

An example of the Budget Impact Section of the Resolution is below:

Grant Funding:	\$ 99,000
Cash Match:	\$ 1,000
Total:	\$100,000

2281.113019.51.TBD.00000—Projects are established upon full execution of the award
Match committed from current appropriation: 1010.11111.50.00000.00000—No additional funding
is requested

Please contact Lana Tyrrell in the Office of Management and Budget at lttyrrell@co.lucas.oh.us or at 419-213-4488 should you have any questions.