

Pre-Award: Budgeting- Cost Share

What is Cost Share/Match?

Cost share, or matching funds, refers to the portion of project costs that is not covered by the sponsor. According to [CFR Title 2, Part 200.30](#), the resources used for cost share must be quantifiable, trackable, and reported to the sponsor. Montana Tech will only provide or support cost share for proposals when explicitly required by the Request for Proposal (RFP) (Mandatory Cost Share).

Mandatory vs. Voluntary Cost Share

- **Mandatory Cost Share:** These are resources required by the sponsor for the proposal to be considered. Mandatory cost share must be tracked by Montana Tech and reported to the sponsor. The sponsor may reduce its funding or request reimbursement if the committed cost share is not provided.
- **Voluntary Cost Share:** These are resources offered in the proposal that are not required by the sponsor. Federal sponsors cannot “encourage” cost share as part of their review requirements.

Common items used for cost share include:

- Faculty time/effort
- Unrecovered F&A (the difference between the sponsor-allowed and Montana Tech's F&A rates, which can be used as cost share)
- Contributed F&A (calculated F&A for cash contributions from Montana Tech to the project, including faculty time/effort or non-federal funds used for cost shared items)
- In-kind contributions
- Graduate tuition waivers
- Project-related travel

Third-Party Cost Share

Third-party cost share refers to services or resources provided by a third party (not Montana Tech or the sponsor) in support of the project. Montana Tech requires a letter of collaboration from the third party detailing the items being cost-shared and their value. The letter must be signed by an authorized representative from the third party. Montana Tech remains responsible for the cost share, and if the third party fails to provide the resources, Montana Tech must make up the difference.

Montana Tech Cost Share Procedure

When an RFP explicitly requires cost share, the following process will be followed:

1. **PI Time Commitment:** The salary, proportional benefits, and overhead of the Principal Investigators (PIs) will be used as match, assuming the time is available and not already committed. PIs can commit up to the fraction of their research appointment (e.g., 40% if they are teaching 6 credits per semester). It is recommended that PIs commit no more

than 90% of their research appointment to avoid dedicating all their time to the research project. Faculty cannot commit time allocated for administration, service, or teaching.

- Contributed Effort: Effort from employees supported by non-sponsored funds may be used for cost share. This must be authorized by the appropriate department head, dean, or MBMG director and approved by OSP. Contributed effort must be documented through time and effort reports.
2. Facilities and Administrative Costs (F&A; IDC) The anticipated fraction of F&A that will be returned to the PI(s) if the proposal is awarded will be used as cost share. Please refer to the Montana Tech [indirect cost recovery policy](#) for details on the F&A return procedure.
 3. Negotiation of Additional Funds: The Vice Chancellor for Research (VCR) will work with the Dean(s) and Provost to identify any additional funds needed. The Research Office may contribute unrestricted "cash" contributions, typically applied toward equipment, if sufficient funds are available. PIs requesting equipment match should submit a description and quote to the VCR.
 4. Remaining Cost Share: Any remaining cost share from Montana Tech depends on the availability of funds and will require negotiation between the PI(s), Department Chair(s), and Dean(s).

PI/Department Contribution

The PI or department may contribute to the cost share through various funds:

- Department discretionary funds
- Faculty IDC return accounts
- Faculty start-up funds
- Department graduate student tuition waivers (note: funds for Graduate Teaching Assistants cannot be used)
- Equipment usage fees (if the equipment has an established public rate)
- Department chairs may buy out faculty teaching time at the rate of 10% per course. This time must be released, and the department will not be reimbursed.

Subcontractor Cost Share

If a subcontractor is involved, they must commit in writing to their share of the cost share. The subcontractor's contribution should align with their portion of the budget. If the subcontractor fails to provide the agreed-upon cost share, the subcontract may need to be renegotiated, potentially affecting the entire proposal.

In rare cases, if no match can be identified, the proposal will not be submitted.

Important Note:

Cost share arrangements must be completed at least 10 full business days before the sponsor's deadline for proposal submission. To request cost share, the PI should contact the pre-award manager for a cost share budget sheet. The full budget and cost share budget should be submitted to the pre-award manager for processing.