



# National Science Foundation

## Cost Analysis and Audit Resolution Branch (CAAR) Targeted Review Area – Cost Sharing



### IMPORTANT LINKS:

National Science Foundation  
[www.nsf.gov](http://www.nsf.gov)

Division of Institution and Award Support  
[www.nsf.gov/bfa/dias](http://www.nsf.gov/bfa/dias)

Cost Analysis and Audit Resolution Branch  
[www.nsf.gov/bfa/dias/caar/index.jsp](http://www.nsf.gov/bfa/dias/caar/index.jsp)

NSF Proposal & Award Policies and Procedures Guide  
[www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=papp](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=papp)

Prospective New Awardee Guide  
[www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=pnag](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=pnag)

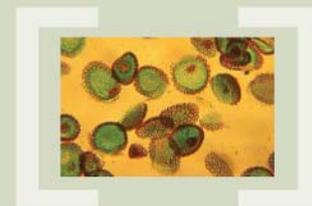
General Federal Requirements  
[www.nsf.gov/bfa/dias/caar/fed.jsp](http://www.nsf.gov/bfa/dias/caar/fed.jsp)

Use a QR code reader to scan the code below with your smartphone to visit the Cost Sharing page on the NSF CAAR website.



### Overview/Purpose

Cost sharing refers to costs of a specific federally-sponsored project or program that are not borne by the Federal Government. Historically, there have been four types of cost sharing: mandatory cost sharing, voluntary committed cost sharing, voluntary uncommitted cost sharing, and unrecovered indirect costs. As of 2007, NSF prohibits voluntary committed cost sharing in proposals and allows the application of mandatory cost sharing requirements only for NSF programs in which cost sharing is required by statute (a rare occurrence) or deemed fundamental to achieving programmatic goals.



### Mandatory Cost Sharing – Additional Information

- Unless otherwise stated in the grant agreement, contributions may be made from any non-federal source, including non-federal grants or contracts. Costs claimed as shared costs must be allowable per Federal requirements and allocable, i.e., necessary to achieve the objectives of the award for which they are claimed. Organizations will not be required to obtain prior NSF approval of the source or type of contributions to be provided. The contributions may be in any allowable budget category or combination of categories. Contributions from non-federal sources may be counted as cost sharing toward federal projects only once. Thus, contributions counted as cost sharing toward projects of another federal agency may not be counted as cost sharing toward projects supported by NSF. However, if such contributions are related to projects supported by more than one federal agency, the recipient may elect to make a proration among the agencies involved.
- Grantees must maintain records of all research costs claimed as their contribution to cost participation; such records are subject to audit. Unless otherwise required by the grant or requested by NSF, the actual cost participation by the grantee need not be reported to NSF. However, in cases where the cost sharing amount reflected in the cumulative award budget is \$500,000 or more, the amount of cost sharing must be documented (on an annual and final basis), certified by the Authorized Organizational Representative, and reported to the NSF Program Officer via the reporting module in FastLane.
- When mandatory cost sharing is required by statute or approved by NSF, the commitment of funds by the awardee becomes legally binding and is subject to audit. Failure to provide the level of cost sharing required by the NSF solicitation and reflected in the approved award budget may result in termination of the NSF award, disallowance of award costs, and/or refund of award funds to NSF by the awardee. Should the awardee become aware that it may be unable to provide the required cost sharing amount, it must immediately provide written notification to the Grants Officer of the situation, indicate steps it plans to take to secure replacement cost sharing, and indicate the plans it has to either continue or phase out the project in the absence of cost sharing.

For more information, please refer to the [Award & Administration Guide](#), accessible at: [www.nsf.gov/publications/pub\\_summ.jsp?ods\\_key=aag](http://www.nsf.gov/publications/pub_summ.jsp?ods_key=aag).

### The National Science Foundation

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