

### **III. Background:**

The University receives sponsored funding from various sponsors. Some sponsors and programs require cost share, while others do not. Contracts, which are procurements of goods and/or services, typically do not require cost share. Grants occasionally require cost share, as they are financial assistance from the sponsor. Cooperative agreements virtually always include a cost share requirement, as they involve substantial involvement from the recipient. The cost share requirements are typically stated on the award document as "Recipient's share", "FAU's share", cost share, matching funds, or a similar term.

Awards from federal sponsors are subject to OMB Circulars A-21 and A-110. In order to comply with the Cost Accounting Standards delineated in OMB Circular A-21, Florida Atlantic University issued DSR Memorandum 99-02, which requires a separate, unique cost share account to be set up for both mandatory and voluntary committed cost share provided by FAU. A copy of Cost Accounting Standard 501 is attached. (See Exhibit B) A copy of DSR Memorandum 99-02 is also attached. (See Exhibit G) DSR Memorandum 99-02 is also located at [www.fau.edu/dsr](http://www.fau.edu/dsr) under "Policies and Procedures".

OMB Circular A-110, Subpart C, Section 23 addresses Cost Sharing and Matching. A copy of this document is attached. (See Exhibit A) This document provides guidelines concerning the criteria that must be met in order for expenses to be acceptable as cost share. These criteria are discussed in Section VI. of this document. OMB A-110 also discusses how donated goods and services are valued.