COST SHARING

In some cases, the Jackson Public School District (JPSD) may be required to provide cost sharing or matching funds as a condition for the receipt and maintenance of a grant or award.

Cost sharing or matching means that portion of project or program costs not borne by the Federal Government.

The following requirements modified from OMB Circular A-110 shall be JPSD's guidelines for receipt of and documentation procedures for cost sharing:

(a) All contributions, including cash and third party in-kind, shall be accepted as part of the JPSD's cost sharing or matching when such contributions meet all of the following criteria.

(1) Are verifiable from the JPSD's records. (NOTE: A cost ledger shall be prepared to account for all reported cost sharing or matching).

(2) Are not included as contributions for any other federally-assisted project or program.

(3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

(4) Are allowable under the applicable cost principles.

(5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.

(6) Are provided for in the approved budget when required by the Federal awarding agency.

(7) Conform to other provisions of this Circular, as applicable.

(b) Unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.

(c) Values for JPSD contributions of services and property shall be established in accordance with the applicable cost principles. If a Federal awarding agency authorizes the JPSD to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching shall be the lesser of (1) or (2).

(1) The certified value of the remaining life of the property recorded in the JPSD's accounting records at the time of donation.
(2) The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value

of the donated property, even if it exceeds the certified value at the time of donation to the project.

(d) Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the JPSD's organization. In those instances in which the required

skills are not found in the JPSD organization, rates shall be consistent with those paid for similar work in the labor market in which the JPSD competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(e) When an employer other than the JPSD furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

(f) Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

(g) The method used for determining cost sharing or matching for donated equipment, buildings and land for which title passes to the JPSD may differ according to the purpose of the award, if (1) or (2) apply.

(1) If the purpose of the award is to assist the JPSD in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.

(2) If the purpose of the award is to support activities that require the use of equipment, buildings or land, normally only depreciation or use charges for equipment and buildings may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges.

(h) The value of donated property shall be determined in accordance with the usual accounting policies of the JPSD, with the following qualifications.

(1) The value of donated land and buildings shall not exceed its fair market value at the time of donation to the JPSD as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the JPSD.

(2) The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.

(3) The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

(4) The value of loaned equipment shall not exceed its fair rental value.

(5) The following requirements pertain to the JPSD's supporting records for in-kind contributions from third parties.

(i) Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the JPSD for its own employees.

(ii) The basis for determining the valuation for personal service, material, equipment, buildings and land shall be documented.

A noted before, all cost sharing or matching shall be maintained in a cost ledger and shall have supporting documentation.

SOURCE: Jackson Public School District, Jackson, Mississippi

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