



## PACTRANS COST SHARE EXPLANATION

Cost Sharing (or matching funds) is the amount of a project or program paid by entities other than the sponsor. PacTrans receives funding from the USDOT via RITA to operate as a University Transportation Center (UTC). As such, every UTC is required to match funding on a 1:1 basis. PacTrans is required to provide documentation to RITA for dollars matched.

In the case of PacTrans, the University of Washington receives funds from RITA and administers them on behalf of PacTrans. Therefore, PacTrans must comply with the University of Washington, as well as the State of Washington accounting and federal requirements.

The University of Washington recognizes three types of cost sharing: mandatory (as in the case with RITA), committed (cases where the PI volunteers cost sharing to the sponsor) and salary caps (a healthcare sponsor rule within NIH or other federal healthcare programs).

In order to maximize matching dollars for RITA, PacTrans gathers matching funds from many types of sources including:

Type or Source of Match	Notes
Outside sponsors	
Salaries and benefits of UW, WSU, OSU, UAF or UI personnel	Faculty can use 30% of nonfederal academic salary. Faculty can use 100% of nonfederal summer salary.
Services	Shall not exceed the fair market value.
Travel for PIs, staff and students	
Supplies	
Equipment	Shall not exceed the fair market value.
Facilities	Shall not exceed the fair market value.
Scholarships or other funding for students	

Indirect costs (now called Facilities and Administrative Costs or F&A) cannot be counted as cost sharing funds because F&A costs are usually provided by federal sources. (Please note that although the UW recognizes unrecovered F&A as cost sharing, RITA does not.)

When a PI participates in a PacTrans Request for Proposals (RFP), PacTrans requires the PI to get matching dollars (cost sharing) for their project.

Cash or in-kind third party funds qualify as match. In order to meet cost sharing criteria, any funds (cash or in-kind) must be:

- verifiable from records
- not included as cost-sharing for any other federally funded project
- must be necessary and reasonable to the project or program
- allowable under the accounting principles for both RITA and the University of Washington.

### **Documentation requirements/PreAward/Pis**

- PIs are required to obtain a Letter of Commitment from their funding source which:
- is written on official letterhead;
- signed by an agency representative;
- outlines the work to be accomplished (use abstract wording/PI name);
- states start and completion dates
- states the amount of funds the agency is contributing and whether these funds are cash or in-kind; and
- indicates that the funding is not being used as a match for any other federal project.

UW PIs that are contributing faculty salaries (01-1X obj. code) as in-kind match are not requirement to provide a formal Letter or Commitment for that match. (An e-mail is sufficient.)

### **Documentation requirements/During Award/Semiannual Budget Report**

- UW faculty salaries used as in-kind match will be verified through UW financial systems.
- Matching funds that went through UW budgets should be supported with UW Budget Activity Reports (BARs) with highlighted expenditures that were contributed toward match. This applies to all expenditures reported on BARs except faculty salaries.

**Documentation requirements for non-UW (third-party) sponsors** - Sponsors are required to give the PI a Confirmation Letter which:

- is written on official letterhead;
- signed by an agency representative;
- outlines the work to be accomplished (use abstract wording/PI name);
- states start and completion dates
- states the amount of funds the agency is contributing and whether these funds are cash or in-kind; and
- indicates that the funding is not being used as a match for any other federal project.
- If the third party contributor donates salary, supporting documentation is required and must include:
  - the name of the employee contributing effort,
  - the employee's title,
  - rate of pay,
  - total value of their effort including applicable benefits,
  - a statement indicating how the individual contributed to the project,
  - time period of the contribution (must be within the budget period), and
- If the third-party contribution is a cash-match, you must also attach a copy of the check to document your receipt of the funds.