

COST SHARE GUIDELINES FOR LOCAL ORGANIZATIONS

(December 2015)

Introduction

Under U.S. Government (USG) funding, cost share refers to the resources an organization contributes to the total cost of a USG grant that is not included as part of the grant. Cost share becomes a condition of a grant when there is a cost share requirement.

This document will guide and provide critical tools to enable local organizations (also referred to as “Grantees”) to meet cost share requirements.

Objective

The objective of this document is to provide guidance regarding cost share. In this document, you will learn:

1. The definition and most common sources of cost share
2. How to manage, document and determine the value of cost share
3. Who is responsible for managing, documenting and determining the value of cost share

I. Cost Share: Definition, Commitments and Sources

What Is Cost Share?

Cost share is the portion of project costs not funded by the U.S. federal government and refers to the resources an organization contributes to the total cost of a grant. Cost share increases the coverage and effectiveness of the U.S. federal government’s limited budget; and sharing in project costs provides a sense of ownership and partnership in meeting project costs. Although not always required by USAID, it is often requested to demonstrate an organization’s involvement and commitment in project ownership and sustainability. Once incorporated into a grant, cost share becomes a contractual obligation.

Cost Share Criteria

Only contributions that meet **all** of the following criteria can be accepted as cost share:

Table 1. Cost Share Criteria

1. Verifiable from the organization’s documented records
2. Not included as contributions for any other U.S. federally assisted project or program
3. Necessary and reasonable for proper and efficient accomplishment of project or program objectives
4. Allowable under the applicable cost principles
5. Not paid by the U.S. federal government under another award, except where authorized by federal statute to be used for cost sharing or matching
6. Conform to other applicable provisions in the organization’s grant agreement
7. Cost share funds and/or in-kind contributions must to be expended and/or contributed within the award effective dates

It is important to note that cost share cannot come from U.S. federal sources regardless of the purchaser. If an item was originally purchased with U.S. government (USG) funds that designation never expires regardless of how many times ownership changes. To be allowable under a grant, costs can be counted only once. A cost must not be included for any other U.S. federally financed program in any period. For example, a local organization that receives a non-USG grant and uses it as cost share or match for a USG-funded program through another organization cannot use that same grant as cost share for a Counterpart funded project. Likewise, if it uses the award as cost share for one Counterpart grant, it cannot use it again for another Counterpart grant, if the local organization has two separate grants from Counterpart.

Cost Share Is a Contractual Commitment

The U.S. Government donor, through Counterpart, views cost share as an important element of their relationship with the local organization. If Counterpart makes a determination to require cost sharing in a grant, it is stated in the Request for Application (RFA) and is included in the cost effectiveness evaluation criterion of the RFA. When a local organization accepts a grant that includes cost share, the organization is contractually obligated to provide the cost share and must do so in order to remain compliant with the terms and conditions of the grant. This is true even if the entire cost share is projected to come from third-party sources, such as a non-US donor grant.

Sources of Cost Share

The U.S. federal government accepts cash and in-kind contributions as cost share. Both cash and in-kind contributions must meet the criteria listed in Table 1 above in order to be acceptable.

“Cash” cost share means that a local organization uses non-U.S. federal funds to contribute to the cost share requirements of the grant. For example, if the local organization has a grant from the British Government that supports the same work or activities of its Counterpart grant, then the funds expended under the British grant can be counted as cash cost share towards the Counterpart grant, as long as that British grant was never used to count as cost share.

“In-kind contributions” are non-cash contributions of goods and/or services to a project or program that were originally provided by a third party with non-U.S. federal funds and will be used in support of the project or program activities. For example, if a local organization was donated a new generator by a British Government grant that it kept after the end of the grant, and the generator is going to be used for the Counterpart grant activities, then the current market value of the generator can be counted towards the local organization’s cost share contribution.

Organizations can obtain cash and in-kind cost share from various sources.

Sources of Cash Cost Share

- **Existing projects funded by non-U.S. federal sources.** Expenses incurred for activities already funded by any non-USG donor (example, an existing British Government funded grant) can be eligible as cost share on a USG-funded project if they meet the criteria listed in Table 1 above and were incorporated into the organization’s grant scope of work or cost share plan. Expenses can be considered as cost share from the start date of the Counterpart grant; expenses incurred prior to this date or after the end date of the Counterpart grant cannot count as cost share.
- **New funds from non-U.S. federal sources.** New funds may be obtained from non-USG donors that are willing to fund a portion of a project that appeals to their funding interests. For example, if a local organization has a youth empowerment project in their country, a private non-governmental donor (example, a private foundation) might make a donation to

the local organization to pay for a portion of the small grants for local youth organizations. Or another non-US donor, like the British Government, may want to co-fund the Project. These funds, once expensed, would be a source of cost share.

Sources of In-Kind Cost Share

In-kind contributions come from third-party sources and can include any goods and/or services procured with non-federal resources that support the program or project objectives. Because we rely on third parties to provide in-kind cost share, greater care must be taken to quantify and document the allowability of in-kind cost share. All in-kind cost share must be properly valued and documented. Refer to Table 2 below for detailed guidance.

- **Contributions by other local partners or sub-grantees.** A local organization can use eligible cost share provided by another sub-grantee contributing to the local organization's grant activities to meet its cost share requirements. One notable exception is sub-grantee goods/services that were paid for with USG funding, which cannot be counted as cost share.
- **Volunteer time.** Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost share or matching if the service is an integral and necessary part of the approved project or grant activities. For example, consultants can agree to donate time to provide free training services or technical assistance the local organization. Volunteer services should be proposed in the local organization's cost share plan and the value of the volunteer time must be equivalent to the current fair market value for comparable worth. For example, if a doctor decides to volunteer his time to a project as a driver, his time should be valued as that of a local in-country driver, and not the value of a doctor's time.
- **Donated goods or inputs in support of program activities.** Donated goods can be used to support program activities or be distributed to beneficiaries as part of the program. Examples of these are supplies, training materials, computers, medical supplies, etc.
- **Use of facilities, equipment or supplies.** If a third party allows the local organization to use facilities, equipment or non-expendable supplies towards grant or project activities, the value of their use may be counted as cost share. For example, if the local government allows the local organization to use its training center for free for one- day training, the organization can use the value of the use of the center as cost share. In this case, the cost share is the value of using the training center for one day. If a private organization allows the local organization to use a bus to support project activities, the local organization can report as cost share the value of using the bus for the approved period of time the bus is used. (However, claiming the full value of the bus is not acceptable.) See [Table 2](#) for documentation requirements.

What Is Not Cost Share

- **Unallowable costs.** Costs have to be allowable in order to be eligible as cost share. Local Organizations follow [Cost Principles for Non-US Non-Governmental Organizations](#) (per Mandatory Standard Provision M1 in the local organization's grant agreement) to determine which costs are allowable or unallowable. For example, the procurement of alcoholic beverages or military equipment, which is unallowable costs, cannot be used as cost share. It is important to note, however, that source/origin/nationality restrictions do not apply to cost share, and restricted goods can be acceptable cost share so long as they are considered an allowable cost in accordance with the cost principles.
- **Trade discounts.** Discounts are not allowable as cost share in U.S.-funded awards because according to the cost principles that apply, purchase discounts should be credited

back to the U.S. federal government. For example, if a local organization uses grant funds to purchase 10 computers and the vendor offers a 10 percent discount, this cost reduction should be credited to the U.S. federal government and cannot be considered cost share. However, if the vendor donates one computer (as an in-kind contribution), the fair market value of that computer (if needed and used for the grant activities) is allowable as cost share.

- **Costs from another USG-funded activity.** A common incorrect application of cost share occurs when a project previously funded by USG sources ends and the residual assets are proposed as cost share in another USG-funded project. An example of a residual asset would be supplies such as printing paper, pens, pencils, etc., that were bought during a project funded by the USG and not completely used by its end and those supplies are used under another USG grant. Special attention must be devoted to ensuring that local organizations do not, unknowingly, propose any building, equipment or other resources as cost share if the acquisition of those items was initially funded by USG sources. The prohibition is U. S.G-wide. Commodities donated by the U.S Department of Agriculture cannot be used as cost share for a grant funded by USAID.

Cost Share Plan

A local organization submitting a proposal or application for a USG grant with a cost share requirement must submit a cost share plan that explains the following:

- Types of cost share
- Sources of cost share
- Amounts (and valuation, including methodology, in the case of in-kind contributions)
- Justification: how the proposed cost share will support the proposed grant objectives, scope of work and activities

The Cost Share Planning Worksheet (Appendix A) may be used to develop the local organization's cost share plan. It has to be concise and clear for several reasons. You want to convey a clear idea of what resources the local organization proposes to contribute to the grant activities and demonstrate to the maximum extent possible that the cost sharing plan is realistic.

The Plan must:

- ✓ Make the distinction between cash cost share and in-kind contributions
- ✓ Express the total value as a percentage of the overall budget (minimum cost share requirement, for example, 5%)
- ✓ Explain how cost share was estimated listing the proposed sources, activities (uses of the resources) and total amounts
- ✓ Clearly state how the organization will be able to document each source of cost share

Grant Work Plan

After a grant award is made, the local organization (hereinafter, the grantee) should follow up with the entities that proposed to provide contributions to the project, if applicable, confirm and formalize their commitment and the timeframe for those contributions. The grantee can update the Cost Share Plan Worksheet, forecast cost share contributions for the period and identify and plan to fill any gaps in cost share. Grantees are advised to ensure that project activities and results affected by the cost share are also included in the grant work plan in order to alert parties

responsible for generating the cost share input that such input (cash or in-kind) is expected for program implementation as stated in the work plan.

Cost Share Tracking, Documentation and Valuation

Cost share tracking is as important as tracking the expenditure of donor funds for project purposes.

High-quality and well organized cost share documentation helps local organizations meet cost share commitments and reduces the risk of audit disallowances. Documentation is considered to be high quality when the following guidelines are met:

- Documentation should come from a reliable source (e.g., directly from the contributor or vendor)
- Documentation should include detailed information on value (valuation unit, number of units, rates, etc.) and when the good or service was delivered
- Cost share documentation should be collected and reviewed on a regular basis by local organization staff responsible for monitoring cost share.

Most cost share falls into one of five categories:

- Cash – donations or grants
- Labor – donated employee time or volunteer labor
- Equipment and supplies – new or existing
- Space – one time or occasional use of venue space or regularly used office or meeting space
- Travel – including airfare, ground transportation and per diem

The valuation of cash donations or grants is straightforward. It is the value of non-USG grant funds expended during the effective dates of the grant that has the cost share requirement, and that support the grant activities.

The valuation of in-kind cost share rests on two key principles: fair-market value and consistency.

- Fair-market value should always be the reference point for determining complete cost share value. Always consider what the price for the cost share contribution would be if purchased on the open market. In other words, what would it cost if it weren't free? The cost share value should always be based on an amount very close to the fair market value of the contribution in the project setting. Determining fair-market value may require one or more third-party quotes and/or a vendor verification of value (receipt or invoice). For relatively smaller amounts of in-kind cost share, a grantee certification of value is acceptable. (See [Table 2](#)).
- A second key principle of cost share valuation is consistency. The method used for valuing the cost share contribution must be consistent with the method used by the donor in computing value of a like item using its own policies and practices. When it is necessary to use an exchange rate, use a rate calculated on a date as close as possible to the date when the expense was incurred.

Some types of cost share require a higher standard of documentation and/or a more rigorous valuation methodology as the value of the cost share increases. The following table describes each of the five categories of cost share and the documentation required for each. It also provides the valuation unit for each kind of category of cost share.

The Cost Share Certification (Appendix B) should be completed for any paid Employee donated time and any Volunteer time that is being reported as an in-kind contribution. The Certification is in Excel and contains two tabs, 1) Cost Share Certification; and 2) Donated Time List. Both forms should be completed in accordance with the instructions and Table 2 below.

Table 2. Cost Share Documentation and Valuation

Cash	Required Documentation	Valuation Unit
Donation		
<i>Cash Donation from a third party (non-USG)</i>	<ul style="list-style-type: none"> ✓ Letter or agreement from the non-USG Donor ✓ Proof of receipt (check from donor or local organization’s bank statement showing funds received) ✓ Verification of final value through a financial report showing amounts actually expended on project costs. 	
Grant		
<i>Grant from Non-USG Donor</i>	<ul style="list-style-type: none"> ✓ Letter or agreement from the non-USG Donor ✓ Proof of receipt (check from donor, or local organization’s bank statement showing funds received) ✓ Verification of final value through a financial report showing amounts expended on project costs. 	
Labor	Required Documentation	Valuation Unit
Donated Employee Time (Not the Local Organization’s (LO) Employee)		
<i>Non-LO regular employees' time financed by another source as a donation to the program.</i>	<ul style="list-style-type: none"> ✓ Employee’s timesheet showing hours worked on project funded by another source ✓ Pay-Stub ✓ A dated Certification signed by employee and their employer confirming time donated and source of funding of donated time (who funded the employee’s salary for the donated time) 	/employee per year
Volunteers		
<i>Time devoted by persons who offer to freely donate their time to activities that benefit the Project. Volunteers are not paid and they are not employees of the Grantee implementing the project.</i>	<p>\$0-\$1000</p> <ul style="list-style-type: none"> ✓ Proof of occurrence/verification of donated time by beneficiary ✓ Confirmation of time donated by Volunteer ✓ Confirmation of time donated and fair market value by Grantee implementing the project <p>By Completing and signing: A dated certification stating the name of the volunteer(s), the work performed, the amount of time worked, and the per hour fair market value signed by the benefiting community representative, the volunteer(s) and the Grantee implementing the project. The per hour fair market value should be determined by the Grantee implementing the project.</p>	/total volunteer costs claimed

	<p>>\$1000</p> <p>Proof of occurrence/verification of donated time by beneficiary</p> <ul style="list-style-type: none"> ✓ Confirmation of time donated by Volunteer ✓ Confirmation of time donated and fair market value by Grantee implementing the project ✓ Evidence/quote of similar services on the open market <p>By Completing and signing: A dated certification stating the name of the volunteer(s), the work performed, the amount of time worked, and the per hour fair market value signed by the benefiting community representative, the volunteer(s) and the Grantee implementing the project. The per hour fair market value should be determined by the Grantee implementing the project.</p>	/total volunteer costs claimed
Equipment & Supplies	Required Documentation	Valuation Unit
New		
<i>A cost spent to purchase or lease Equipment and/or Supplies for the purpose of project implementation</i>	<p>Any Value</p> <ul style="list-style-type: none"> ✓ Verification of necessity (item and amount needed was included in the Cost Share Plan or pre-approved by Counterpart) ✓ Evidence of donation: A dated certification stating the Grantee name, the number and description(s) of the donated item(s), the purpose of the donated item(s), the actual value of the donated item(s), signed by the Grantee and the donating organization on the donating organization's letterhead ✓ New equipment/supply invoice showing the value OR vendor verification of the value 	/Individual Item
Existing		
<i>A cost realized by the local organization for utilization of existing fixed assets that are needed for project implementation</i>	<p>Any Value</p> <ul style="list-style-type: none"> ✓ Verification of necessity (item and amount needed was included in the Cost Share Plan or pre-approved by Counterpart) ✓ Evidence of donation: A dated certification stating the Grantee name, the number and description(s) of the donated item(s), the purpose of the donated item(s), the fair market value of the donated item(s), signed by the Grantee and the donating organization on the donating organization's letterhead ✓ Evidence of fair market value by a third party (i.e., vendor) 	/item per year
Space	Required Documentation	Valuation Unit
One-time		
<i>Venue space used to host an organized event that directly impacts the project</i>	<p>\$0-1,000</p> <ul style="list-style-type: none"> ✓ Verification of necessity (item and amount needed was included in the Cost Share Plan or pre-approved by Counterpart) ✓ Evidence of donation: A dated certification stating the Grantee name, description(s) of the donated space(s), the purpose and timeframe, the fair market value of the donated space, signed by the Grantee and the 	/space and timeframe

	donating organization on the donating organization's letterhead	
	>\$1,001	/event
	<ul style="list-style-type: none"> ✓ Verification of necessity (item and amount needed was included in the Cost Share Plan or pre-approved by Counterpart) ✓ Evidence of donation: A dated certification stating the Grantee name, description(s) of the donated space(s), the purpose and timeframe, the fair market value of the donated space, signed by the Grantee and the donating organization on the donating organization's letterhead ✓ Evidence of fair market value by a third party for the rental of space (i.e., vendor) 	
Ongoing		
<i>Office or meeting space used regularly throughout the grant to support program activities</i>	Any Value	/space and timeframe
	<ul style="list-style-type: none"> ✓ Verification of necessity (item and amount needed was included in the a Cost Share Plan or pre-approved by Counterpart) ✓ Evidence of donation: A dated certification stating the Grantee name, description(s) of the donated space(s), the purpose and timeframe, the fair market value of the donated space, signed by the Grantee and the donating organization on the donating organization's letterhead ✓ Evidence of fair market value by a third party for the rental of space (i.e., vendor) 	
Travel	Required Documentation	Valuation Unit
Airfare		
<i>Airplane transportation plus per diem and other travel related costs, when applicable, necessary to conduct program activities</i>	<ul style="list-style-type: none"> ✓ Verification of necessity (included in the Cost Share Plan or pre-approved by Counterpart) ✓ A dated certification from the donating organization stating the specific donation (plane ticket, per diem, etc.), traveler's name, dates and purpose of the travel, the actual cost(s) of the travel, source of funding for the travel, signed by the traveler and the donating organization on the donating organization's letterhead ✓ A copy of the traveler's travel expense report showing all donated travel costs with receipts and evidence that travel did not come from USG funding 	/trip
Per Diem		
<i>Per diem expenses necessary to conduct program activities</i>	<ul style="list-style-type: none"> ✓ Verification of necessity (included in the Cost Share Plan or pre-approved by Counterpart) ✓ A dated certification from the donating organization stating the specific donation (plane ticket, per diem, etc.), traveler's name, dates and purpose of the travel, the actual cost(s) of the travel, source of funding for the travel, signed by the traveler and the donating organization on the donating organization's letterhead ✓ A copy of the traveler's travel expense report showing all donated travel costs with receipts and evidence that travel did not come from USG funding ✓ donating organizations' travel policy to verify rates being used (which is either the rates established by their own travel policy, actual amounts or the State Department rates) 	/day

Ground Transportation		
<i>Transportation costs necessary to conduct program activities</i>	<ul style="list-style-type: none"> ✓ Verification of necessity (included in Cost Share Plan or pre-approved by Counterpart) ✓ A copy of the traveler's travel expense report showing the donated travel costs with receipts and evidence that travel did not come from USG funding ✓ If personal vehicle, evidence of usage amount (mileage traveled) and organization's policy on mileage reimbursement (or must comply with standard practice on mileage reimbursement) ✓ A dated certification from the donating organization stating the specific donation (plane ticket, per diem, etc.), traveler's name, dates and purpose of the travel, the actual cost(s) of the travel, source of funding for the travel, signed by the traveler and the donating organization on the donating organization's letterhead 	/year

Recording Cost Share

The following sequence of steps will help ensure efficient, tracking, booking and reporting of cost share:

1. Grantee's designated employee(s) track(s) cash and in-kind cost share as it is accumulated and ensure(s) required documentation is collected and reviewed regularly and in a timely manner for completeness and accuracy. Counterpart International should be consulted when there are any questions. **Grantee should not wait until the end of a reporting period or the end of a grant to collect, compile and report on cost share.**
2. Grantee's designated employee(s) complete(s) and sign(s) the Cost Share Report (use format provided in Appendix C) and send(s) the complete cost share package (with back up documentation) to the Grantee's designated official for review and signature approval.
3. The Grantee's designated official should review the documentation, particularly the in-kind cost share valuation, to ensure accuracy and completeness, and provides signature approval.
4. The completed and approved Cost Share Report with the complete cost share package should be included in the next scheduled financial report to Counterpart International.
5. Counterpart ACEP staff reviews the documentation, confirms the cost share benefit to the program, that the cost share is in accordance with the approved Cost Share Plan and Work and that the cost share claimed and back up documentation meets the eligibility criteria. Any questions and/or corrections are handled and resolved between the Counterpart ACEP staff and the Grantee.

Retaining Cost Share Documentation

Once cost share and documentation has been reported to Counterpart, the cost share documentation must be maintained by the Grantee for audit purposes.

Reporting

It is important that Grantee record cost share on a timely basis as it is accumulated, to comply with reporting requirements and to demonstrate the Grantee is making adequate progress toward its

cost share commitment. USAID and Counterpart monitor Grantee cost share reporting and expect Grantees to report cost share on the same schedule as their financial reporting.

All effort must be made to follow up, document and record cost share transactions in the accounting records in the period the cost share transactions occurred. Therefore, Grantees are expected to submit and report to Counterpart cost share on a monthly basis, provided there is cost share to report.

In addition, there are other practical considerations to take into account in order to avoid delay in monitoring and recording of cost share transactions. It may be difficult or impossible to gather proper documentation toward the end of a grant.

Cost Share Regulations

The following cost share regulation is referenced in the grant agreement for your reference and use as a management tool:

II. REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR Non-U.S. NONGOVERNMENTAL ORGANIZATIONS

RAA 14. COST SHARE (JUNE 2012)

APPLICABILITY: This provision is applicable when the recipient provides a Cost Share.
COST SHARE (JUNE 2012)

a. During the period of this award, the recipient agrees to spend an amount of funds from non-U.S. Government sources specified as Cost Share, as provided in the award budget. Any Cost Share restrictions contained in this award take precedence over the terms of this provision.

b. The recipient's Cost Share under this award may include project costs incurred by the recipient from its own funds, or project costs financed with cash, services, or property contributed or donated to the recipient from other non-U.S. Government sources, including subrecipients. Not all Cost Share requires cash outlays by the recipient; examples are depreciation and use charges for buildings and equipment.

c. The recipient's Cost Share contributions, both cash and in-kind, must meet all of the following criteria:

- (1) Are verifiable from the recipient's records;
- (2) Are not included as cost share contributions for any other U.S. Government (USG) -assisted program;
- (3) Are necessary and reasonable for proper and efficient accomplishment of this award's objectives;
- (4) Are allowable under the Standard Provision, "Allowable Costs";
- (5) Are not paid by the USG under another grant or agreement (unless the grant or agreement is authorized to be used for Cost Share); and
- (6) Are included in the approved budget.

d. The source, nationality, and restricted goods requirements in the Standard Provision "USAID Eligibility Rules for Procurement of Commodities and Services" do not apply to cost share expenditures.

e. The value of non-U.S. Government in-kind contributions applied to Cost Share is established by the following procedures:

(1) Volunteer services must be an integral and necessary part of an approved program. Rates for volunteers must be consistent with those paid for similar work in the recipient's organization, or consistent with those paid for similar work in the labor market in which the recipient competes. Volunteer services furnished by others must be valued at the employee's regular rate of pay, exclusive of overhead costs, provided these services are of the same skill for which the employee is normally paid. In any case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(2) The assessed value of donated supplies and equipment must be reasonable and must not exceed the fair market value of the property at the time of the donation.

(3) The value of donated property must be determined in accordance with the usual accounting policies of the recipient with the following qualifications:

(i) If the purpose of this award is to assist the recipient in the acquisition of equipment, buildings, or land, the total value of the donated property may be claimed as Cost Share.

(ii) If the purpose of this 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 Agreement Officer (AO) may approve the charge of the full value of equipment or other capital assets and fair rental charges for land.

(iii) The value of donated land and buildings must not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser.

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

(v) The value of donated space must not exceed the fair rental value of comparable space and facilities in a privately owned building in the same locality, as determined by adequate market research.

(vi) The value of loaned equipment must not exceed its fair rental value.

f. The recipient must provide supporting records for in-kind contributions from third parties.

(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings, and land must be documented.

g. If the recipient expends less than the agreed upon Cost Share as specified in this award, the AO may apply the difference to reduce the amount of USAID funding for the following funding period, require the recipient to refund the difference to USAID when this award expires or is terminated, or reduce the amount of cost share required under the award.

h. In the event of any disallowance of expenditures from USAID award funds, the recipient may substitute expenditures made with funds provided from non-U.S. Government sources, provided they are eligible in accordance with all the Standard Provisions of this award.

[END OF PROVISION]

Appendix A: Cost Share Planning Worksheet

Cost Share Plan Worksheet Available in Excel Format for use. This page is illustrative.

Cash Cost Share

Source	Description	Supporting documentation	Amount
Include only one source per row. Name the entity that will make/has made the contribution.	Describe expenditure line item and/or inputs that will be procured with these funds. Quantify the number of units and unit cost.	See Table 2	Cash

In-Kind Cost Share

Source	Description	Application	Valuation (in-kind)	Supporting Documentation	Amount
Include only one source per row. Name the entity that will make/has made the contribution.	Provide a brief description of the in-kind item(s) provided. Quantify the number of units.	Specify component and activity where the in-kind item is used for project purposes.	Method used to determine value.	See Table 2	Value of In-Kind

Appendix B. Cost Share Certification

The Cost Share Certification is an Excel spreadsheet.

Appendix C: Cost Share Report

The Cost Share Report is an Excel Spreadsheet

Appendix D: Glossary of Cost Share Terms

Allowable refers to costs that are:

- Verifiable from records
- Necessary and reasonable (toward accomplishing the objectives of the program award)
- Included in the budget approved by the donor
- Conform to other applicable administrative requirements (e.g., organization's policies and procedures)
- Not counted as cost share on more than one USG-funded activity (for federally funded programs)
- Allowable under the applicable cost principles (for federally funded programs)
- Not paid by the USG (for federally funded programs)

Amendment: An authorized modification to an approved application or award.

Award: Organization's signed agreement with its donor. May also be referred to as grant, subgrant, subgrant agreement or subagreement.

Cost share: The resources that an organization contributes, from nonfederal sources, to the total cost of an award.

Donor: The source providing the funding for the program/activity

Disallowed costs: Any charges to the approved grant that the donor has determined to be beyond the scope of the purpose of a grant, excessive, or otherwise unallowable.

Fair-market value: An estimate of what a knowledgeable, willing and unpressured buyer would pay for the good or service in a specific marketplace.

Geographic code: a three-digit number that for USAID administrative purposes identifies geographic entities such as countries, territories, regions and subregions.

Mandatory cost share: Cost share that is a written requirement in your agreement by the donor.

Nationality: SON (Source/Origin/Nationality) restrictions require suppliers of commodities to be either an individual who is a citizen or lawfully admitted permanent resident of a country in the authorized geographic code or a corporation organized under the laws and with a place of business in a country in the authorized geographic code. Suppliers of service need to be individuals who are citizens and have a place of business in a country in the authorized geographic code; privately held companies owned by a citizen of a country within the geographic code and having its principal place of business there; or corporations or partnerships that are more than 50 percent owned by citizens of a country within the geographic code. SON does not apply to cost share.

Origin: A USAID term that refers to the country where a commodity is produced or where the manufacturing, processing or major/substantial assembling of components takes place.

Reasonable: Being within the bounds of common sense; not excessive or extreme. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.

Restricted goods: Goods that shall not be procured without the prior approval of USAID through the local organization's donor. They include:

- Agricultural commodities;
- Motor vehicles;

- Pharmaceuticals;
- Pesticides;
- Used equipment;
- USG-owned excess property;
- Fertilizer.

Prior approval will be deemed to have been met when: (i) the item is of U.S. source/origin; (ii) the item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and (iii) the costs related to the item are incorporated in the approved budget of the award. Where the item has not been incorporated into the award as described above, a separate written authorization from USAID and the donor must be provided before the item is procured. The same prior approval must be received for restricted goods to count as cost share.

Source: A USAID term that refers to the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located there at the time of the purchase.

Third parties: Entities other than the local organization receiving the grant. These may be partner organizations, beneficiary organizations (NGOs, universities, media outlets, etc.), or any organization or individual that is providing support (cash, goods or services) toward the program.

Verifiable: Able to be proven or confirmed by an outside party.